

Australia	£1.22	Canada	US\$ 1.00	France	FFr 6.55	Germany	DM 3.36	Italy	Lit 1,375	Japan	¥100	Netherlands	ƒ 1.66	Portugal	Esc 200	Spain	Ptas 166	Sweden	Skr 4.66	Switzerland	Sfr 2.20	Taiwan	NT\$ 35	UK	£1.00	USA	\$1.00
-----------	-------	--------	-----------	--------	----------	---------	---------	-------	-----------	-------	------	-------------	--------	----------	---------	-------	----------	--------	----------	-------------	----------	--------	---------	----	-------	-----	--------

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,268

Thursday June 25 1987

D 8523 A

Wellcome defends  
AIDS drug  
pricing, Page 18

## World news

## Business summary

### Rome demo Printemps to raise FFr 1bn for acquisitions against visit by Waldheim

Jews wearing mock Nazi concentration camp uniforms protested in St Peter's Square, Rome, against the planned meeting today between the Pope and Austrian President Kurt Waldheim.

Israel asked the Vatican for an explanation of why the Pope agreed to receive Mr Waldheim and Israel's chief rabbi said a moral stain would be cast on the Roman Catholic Church if the meeting took place.

AMOCO CORP, US oil company, is facing mounting pressure to improve its controversial C&S2bn (\$3.9bn) for Dome Petroleum, the debt-laden Canadian energy producer. Page 22

### Argentine bombings

Bombs shook 15 offices of Argentine President Raul Alfonsín's Radical Party, hours after courts lifted charges against 48 military officers accused of human rights violations under the former military government. Page 4

### Hostage freed

Kidnappers freed the son of Lebanon's Defence Minister and efforts continued for the release of his co-hostage, US journalist Charles Glass. Page 5

### Hungary shake-up

Hungary was planning a major leadership shake-up, replacing Prime Minister György Lazar and President Pál László and promoting two candidates to succeed party leader János Kádár.

### Hijack trial

West Germany decided to put on trial a Lebanese accused of hijacking a US airliner two years ago. It assured President Reagan that Mohammed Hamadei, whose extradition to the US it refused, would also be tried for the murder of a US sailor. Page 3

### Sri Lanka arrests

Police arrested about 150 suspected members of an outlawed left-wing group in co-ordinated raids throughout southern Sri Lanka.

### Arabs on strike

Israel's 700,000 Arab citizens staged a general strike in protest at what they said was government discrimination in favour of Jews.

### Apartheid church

Reformed Church threatened to form a whites-only splinter group because they objected to the church opening its doors to all races.

### Kremlin policy

Yegor Ligachev, effective number two to Soviet leader Mikhail Gorbachev, said Moscow's renewal policies were not aimed at imitating Western-style liberalism.

### Presidential queue

A last-minute rush of 42 nominations brought the number of would-be candidates for next year's Indian presidential election to 78, but 20 were ruled out as improperly filed.

### All-day drinking

The British Government announced plans to introduce all-day drinking in British bars, allowing pubs to open between 11am and 11pm and eliminating a notorious national drought between 3pm and 5.30pm. Page 8

### Ugandan trial

A former Ugandan Commerce Minister and eight others went on trial for treason in the Kampala High Court, more than nine months after their arrest.

### Airfares hitch

Italy and Greece blocked progress towards an EC agreement on cutting West European airfares and introducing competition among airlines. Page 18

## South Korean peace hopes dashed as talks fail

BY MAGGIE FORD IN SEOUL

HOPES of a political breakthrough to end the widespread anti-government demonstrations in South Korea were dashed yesterday when Mr Kim Young Sam, the opposition leader, described his unprecedented meeting with President Chun Doo Hwan as a failure.

The President's suggestion of a return to talks on revising the constitution in the National Assembly was unsatisfactory, he said. A "people's march" for democracy called on Friday in the centre of Seoul would go ahead.

The Government waited until midnight to lift the house arrest of Mr Kim Dae Jung, joint leader of the opposition Reunification Democratic Party, a precondition for the meeting.

Although he will now be able to hold meetings and receive visitors, Mr Kim is still banned from politics under the terms of a sedition conviction imposed on him early in the Chun regime. The RDP had demanded that the Government restore Mr Kim's civil rights.

Mr Kim Young Sam visited his colleague's house for talks in the morning before his meeting with the President, and Dr Gaston Sigur, US Under-Secretary of State for East Asian Affairs, was allowed past police lines in the afternoon.

Mr Edward Dermot, the US Under-Secretary of State for Security Assistance, said at a news conference that he believed the South Korean military had no plans to intervene or to impose martial law.

No details emerged of a meeting yesterday between Mr Lee Ki Beek, the Defence Minister, and top army commanders.

The three hours of talks between the President and Mr Kim had raised South Koreans' hopes that their wishes for democratic change would be fulfilled. But initial reactions suggested that the President's offer meant only a return to the manipulative politics of the past year.

Mr Kim said that only a referendum on the type of democratic government to be introduced was acceptable. The opposition wants a direct presidential system, while the ruling Democratic Justice Party has argued in favour of a cabinet system.

The ruling party, led by Mr Roh

Tae Woo, has attempted to persuade the President to meet a number of the opposition's demands.

DJP members, who were called to a weekend meeting to discuss the suggestions to be put to the President, were amazed when they were asked to formulate proposals in groups and work out a joint policy. One member commented that never before had party members been asked to contribute to democratic debate over issues.

The President's failure to respond to the people's demand for a sincere commitment to change is likely to anger and depress South Koreans. Unless there is some further movement in the next few days, Friday's demonstration will probably lead to renewed scenes of public anger.



Kim Dae Jung

## Tin Council members cleared of liability for debts

By Raymond Hughes in London

CREDITORS of the insolvent International Tin Council have suffered a third setback at the hands of the High Court in London.

Mr Justice Staughton ruled yesterday that the ITC's members - the UK Government, 22 other states and the European Community - were not liable for its debts, which run into hundreds of millions of pounds.

The ITC was a separate legal entity and, when it contracted to buy or sell tin, it had done so on its own behalf and not as agent for its members, he said.

In two earlier cases Mr Justice Millett decided that the English courts could not wind up the ITC or appoint a receiver of it.

All three rulings are likely to be appealed.

The creditors will derive some comfort from Mr Justice Staughton's endorsement of Mr Justice Millett's view that arrangements should be made by diplomatic means to meet the ITC's debts.

Yesterday's ruling was made on an application by the members to strike out an action in which J.H. Rayner (Mincing Lane), a London Metal Exchange trader and ITC creditor of the ITC, seeks to make them liable for the debt. Although Mr Justice Staughton ruled in the members' favour on all the issues before him, that is not the end of the action. There remains a new claim, added by Rayner in April, that the members breached their duty to ensure that the ITC's business was not conducted to the prejudice of creditors.

Last month the Appeal Court ruled that that claim could not be argued on the striking out application.

Mr Justice Staughton said that Rayner's original claim disclosed no cause of action against the states and the EC. But for the late amendment the UK would be entitled to a striking-out order, the EC to an order setting aside the claim against it, and the foreign member states to an order that they had sovereign immunity from Rayner's action.

The judgment affects actions in which other ITC creditors - brokers and banks - are suing the member states, as legal issues common to all the actions were deployed before, and rejected by, Mr Justice Staughton. The other creditors have, however, other separate arguments to be dealt with.

All the ITC's creditors will appeal a sentiment expressed by Mr Justice Staughton at the end of his two-hour judgment, given in open court following a 10-day private hearing last month.

## Soviet Union plans mass release of political dissidents

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET UNION is to speed up the release of political and religious dissidents under an amnesty to mark the 70th anniversary of the Bolshevik Revolution.

Mr Gennady Gerasimov, the Soviet Foreign Ministry spokesman, said yesterday that people imprisoned under the statutes of the criminal code which have normally been used against dissidents would be released or have their sentences cut.

"The amnesty is the biggest in 30 years," according to Dr Roy Medvedev, the dissident historian. "It will allow all remaining political prisoners to be released."

He said he was certain that all those sentenced for holding dissident political or religious views would be released over the next six months, the length of time for the amnesty to take effect.

Mr Gerasimov was more cautious about the impact of the amnesty. On Tuesday he said he believed that prisoners held under statutes 70 and 190 - those most commonly used against dissidents - would not be included under its terms and only those detained for trivial offences would benefit.

Yesterday morning, however, Mr Gerasimov said that people held under statute 70 would have their sentences cut and the remainder would be liable for release provided they



Mikhail Gorbachev

fulfilled conditions laid down in the amnesty.

It is unclear how many dissidents are imprisoned in the Soviet Union but diplomats believe there are about 500 in camps or jail for political offences and a somewhat larger number for religious offences.

Under the long and complex amnesty decree of the Presidium of the Supreme Soviet, the Soviet Parliament, people serving sentences of up to three years are, with exceptions, to be released. Those who have already served one-third of their sentences will, in most cases, have their term of imprisonment cut by half.

The better-known dissidents serving terms in prison or exile such as Dr Andrei Sakharov, the dissident physicist, Mr Anatoly Shcharansky and Mr Yuri Orlov have all been released since Mr Mikhail Gorbachev came to power in 1985, but Dr Sakharov said recently that releases had slowed up.

Many of those likely to be freed under the new amnesty are members of small religious sects such as the Hare Krishna group sentenced for religious proselytising.

Confusion over the amnesty, in contrast to the publicity given by the Soviet Union to the release of about 140 prisoners earlier this year, may be because the previous releases led to an increase in agitation by prisoners' families and supporters demanding their immediate freedom.

Dr Medvedev said this month's amnesty was "the first amnesty in 50 years to include political prisoners." He said the biggest amnesty of all was in 1945 to celebrate victory over Germany but political prisoners were specifically excluded.

He expected the released prisoners to include Mr Leonid Borodin and Mr Felix Svetov, both writers sentenced for expressing anti-Soviet views. He said articles that had previously led to prosecutions were now openly printed in the Soviet Union.

## Saudis to sweep Gulf for mines if they threaten Kuwaiti ports

BY TONY WALKER IN KUWAIT

SAUDI ARABIA has agreed to sweep waters off Kuwait for mines if it is established that they threaten navigation in the main deep water channel leading to Kuwaiti oil ports, according to US officials.

US experts have begun working with Kuwait's navy in an effort to detect mines at the entrance to the Al Ahmadi channel 30 nautical miles offshore.

In the northern Gulf yesterday, a Turkish bulk carrier, the 30,534-tonne Hira 111 was hit and set ablaze by an Iraqi missile. Seven crewmen were injured.

The Turkish ship was 60 miles south of Iran's Kharg Island oil terminal in an area where Iraq has carried out repeated attacks.

This is the second Iraqi missile strike in the vicinity of Kharg Island since the weekend and signals a resumption of such attacks after a break of about one month.

At the same time, there were reports from Washington yesterday that the US is proposing to dispatch the battleship USS Missouri to the Gulf region to menace Iranian shore positions. The Missouri is armed with advanced missiles and 16-inch guns with a range of 37 km.

Kuwait has appealed to both the US and Saudi Arabia for assistance after several ships encountered mines off its own coast.

Officials here are hinting at possible sabotage by Iran in yesterday's attack on the Turkish carrier, but they have stopped short of an outright accusation that the Tehran regime is engaged in an attempt to blockade Kuwaiti ports.

The Liberian-registered 273,408-tonne Stena Explorer became, last Friday, the fourth ship to have struck a mine in the Al Ahmadi channel since May 16 when the Soviet tanker, Marshal Chulikov, was damaged.

Saudi Arabia has agreed to provide a helicopter-drawn "sled," which, when dragged through the water, detonates mines floating just below the surface or those lying on the sea bed.

A similar device was used by the US navy in its minesweeping operations in the Red Sea in 1984 when an unidentified country or organisation mined the approaches to the Suez Canal.

The US is beefing up its naval presence in the Gulf, currently standing at one cruiser, two frigates and two destroyers plus a command ship, the USS La Salle.

There have also been reports of three additional warships passing through the Suez Canal on their way to the Gulf. They are the guided missile destroyer, USS Kidd

and the frigates USS Klakring and USS Flately.

If the USS Missouri was stationed in the Gulf of Oman, just outside the Strait of Hormuz, it would be within range of Iran's main port of Bandar Abbas.

Iran has begun deploying Chinese-supplied Silkworm missiles around Bandar Abbas.

The US has warned Iran against installing the shore-to-ship missiles, saying they posed a direct threat to shipping in the Strait of Hormuz, through which passes 20 per cent of the West's oil.

Earlier this year, Kuwait requested superpower protection for its tanker fleet in the Gulf. The Soviets responded quickly to the request, leasing three tankers.

Washington proposed a complicated procedure to satisfy US law under which Kuwaiti tankers would fly the American flag, entitling them to US naval protection.

This process is now underway, but Congress is voicing serious reservations about the US extending its policing role in the volatile Gulf region.

US officials here say they expect that by the middle of July, about 11 Kuwaiti tankers will be operating in the Gulf under US naval protection.

## CONTENTS

Europe	2-3	Crossword	32
Companies	19-20	Currencies	31
America	4	Editorial comment	16
Companies	19-20	Eurobonds	23
Overseas	5	Euro-options	32
Companies	22	Financial Futures	33
World Trade	6	Gold	39
Britain	7-10	Int'l Capital Markets	23
Companies	24-28	Letters	17
		Lex	18
		Management	12
		Market Monitors	40
		Men and Matters	16
		Money Markets	31
		Raw Materials	39
		Stock markets - Bombay	35, 42
		Stock markets - London	35-38, 42
		Technology	14
		Unit Trusts	33-35
		Weather	18
		World Index	32
Agriculture	30		
Arts - Reviews	15		
World Guide	15		
Commercial Law	13		
Commodities	30		



## VILLAGE THAT WAITS FOR THE LOCAL BOY'S VISIT

East German leader Erich Honecker: hoping to take a long-promised trip to West Germany, Page 18

Soviet politics: Gorbachev seeks backing for crucial economic reforms . 2  
US Trade Bill: cure-all that could cripple the world economy . 6  
Management: Dunhill's formula for success in Japan . 12  
Technology: Europe opts for West German car guidance . 14  
Editorial comment: trench war in Brussels; the SDP, large and small . 16  
Scottish devolution: passions stir again . 16  
UK economy: some bad reasons for worrying about credit . 17  
Lex: C&W; Charter Cons; Minet . 18

## Industriekreditbank AG Deutsche Industriebank



Committed to Enterprise

Düsseldorf · Berlin · Frankfurt · Hamburg · Munich · Stuttgart

Karl-Theodor-Str. 6 D-4000 Düsseldorf West Germany · Telephone 0211/8221-274 · Telex 8 582 791 · Telefax 0211/8221-559  
IKB Luxembourg Branch 6, Avenue Marie-Thérèse Telephone 477641-1 · Telex 60263

## EUROPEAN NEWS

# EC to exempt franchising from competition rules

BY WILLIAM DAWKINS IN BRUSSELS

FRANCHISING, the fast growing marketing form which accounts for 10 per cent of EC retail sales, was yesterday given exemption from Community competition restrictions. The decision, by the European Commission, comes nearly a month after a similar move to give technical know-how licensing agreements protection from competition rules. It removes a potential legal threat to the Community's 85,000 franchised outlets.

First developed in the US, franchising took off in Europe during the 1970s and now embraces more than 1,500 franchise networks, representing combined annual sales of Ecu 33bn (£23.3bn), mainly in food, clothing, car rentals and hotels.

Yesterday's move means franchise agreements cannot—with some key exceptions—be challenged under EC regulations outlawing market sharing and price fixing. Commission competition authorities have made a special case for franchising on the grounds that it provides an employment-creating boost for small businesses and helps to "establish uniform distribution... without the need for major investments."

The EC's attitude to franchising was unclear until a landmark judgment by the European Court of Justice last year that a franchising agreement between Pronuptia de Paris, a French based retailer of wedding dresses, and one of its West German based franchisees was governed by competition rules. The franchisee was being sued for an outstanding debt and argued that the contract was invalid since then, the Commission has given Pronuptia and another franchisor, Yves Rocher, special individual clearance from competition restrictions. The block exemption, which takes the form of a draft regulation and so will not have to go through the lengthy process of getting member states' approval, covers distribution and service franchises only. It gives legal backing to agreements limiting franchisees to physical territories and obliging them not to resell products to retailers outside the franchise network. Contracts forbidding franchisees from selling competing products would also be allowed.

## Patrick Cockburn on expectations of argument at today's Central Committee meeting

# Gorbachev's economic aims under scrutiny

SOVIET COMMUNIST party regional leaders are likely to give Mr Mikhail Gorbachev strong backing for his plans to decentralise administration of the economy at the meeting of the central committee today, according to Dr Roy Medvedev, the Soviet historian.

The two day meeting of the 307-member central committee, to which all top Soviet officials belong, is considered crucial for the reform of the Soviet economy. It will consider a draft law aimed at increasing the financial independence of state enterprises and also proposals to reduce the power of central economic bodies and the ministries.

Dr Medvedev, for many years a leading opponent of Mr Leonid Brezhnev's government, said that since Mr Gorbachev took power in 1985 political change had outpaced economic reform. "Renewal of the economy has not gone beyond the stage of experiment," he said. "Today, the economy is not working any better than it was three or four years ago."

Political and cultural change in the Soviet Union had, on the other hand, moved much faster than he had expected.

The outcome of this week's central committee meeting is much less predictable than in the past, Dr Medvedev said. When Mr Brezhnev was leader

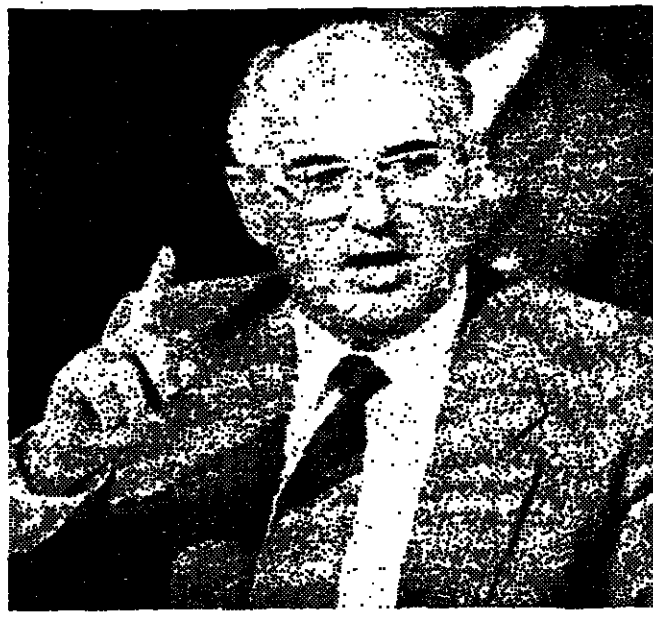
from 1964 to 1982, he said, the leader's own speech was largely written by the senior party bureaucracy in Moscow who also vetted speeches by all central committee members before they were delivered.

In contrast, speeches and resolutions at today's meeting will not have been prescribed by the central party bureaucracy, although the main themes of Mr Gorbachev's speech will have been explained to the politburo, Dr Medvedev said that, as a result, there will be much more discussion and argument.

Many regional party first secretaries, who make up about a quarter of the membership of the central committee, had expressed reservations during the last central committee in January about *glasnost*, as the greater freedom expression under Mr Gorbachev is known. But, said Dr Medvedev, the provincial party chiefs, who play a key role in running the country, had a much greater interest in reducing the domination of the economy by central organs such as Gosplan and Gosstat, which together control the Soviet supply system.

This would "strengthen their position. In the past they were not masters of their own district."

Dr Medvedev said he would not try to predict changes



Regional leaders like the look of the Mr Gorbachev's easing of central controls

within the politburo, but Mr Geldar Aliyev, the third-ranking member and an opponent of Mr Gorbachev, was known to be seriously ill and might retire.

Western diplomats have generally agreed with Dr Medvedev's analysis of the significance of today's meeting. They say that economic reforms introduced over the past two years have been incoherent and consequently ineffective. Mr Gorbachev is now creating an overall strategy to transform the management of the economy by 1991.

They say that this three-year time frame is realistic, noting that economic reform in Hungary, the most far reaching and successful in a Socialist country, was drafted in 1965 and fully applied only in 1968.

At the core of the reforms is the plan to reduce the allocation of resources from above and, instead, to allow enterprises to negotiate contracts at prices reflecting supply and demand. Diplomats say that over the next three years they expect the shift from plan to market to have an impact first on agriculture and services and only subsequently on heavy industry.

Speaking of the central economic organs, Dr Medvedev said that 10 or 12 new measures were being discussed to reduce their authority, although these were likely to be introduced after this week's meeting. Plans include measures to cut the staff and number of departments at Gosplan by half, and to reduce the number of ministries and limit their functions.

A strong complaint made by enterprises which have, in theory, been made self-financing is that they are still dependent on higher authority for crucial inputs and they are judged by the quantity of goods they produce rather than their earnings or profits.

## E. German company links agreed

By Leslie Collett in Berlin

The Prime Ministers of the Soviet Union and East Germany have agreed on "practical steps" to establish direct links between companies in the two countries. The talks earlier this week in Moscow between Mr Nikolai Ryskov and Mr Willi Stoph, who headed large economic delegations, were hailed yesterday by the East German newspaper Neues Deutschland as a further intensification of economic cooperation.

Comecon specialists at the German Institute for Economic Research (DIW) in West Berlin said, however, that Moscow and East Berlin still disagreed about the value of direct ties. They are strongly favoured by Mr Mikhail Gorbachev, who aims to reform Comecon by curtailing bureaucracy.

Mr Heinrich Machowski, a DIW researcher, said East Germany and several other East European countries opposed the Soviet plan to replace state agreements with direct company links. East Germany is said to fear that if direct ties and other Comecon reform proposals fail, it will be hurt the most.

East German and Soviet factories producing sewing machines recently agreed—with government blessings—to jointly develop a micro-electronic machine of the highest "international standard." In the early 1970s, though, a similar joint project to develop a programmable washing machine turned into a loss making venture for both sides.

## Greek venture capital move

By Andriana Ierodiakonou in Athens

THE GREEK Government is to allow institutions specialising in the provision of venture capital to be set up, in a bid to promote high technology and innovative industrial investment.

Under a bill submitted to Parliament this week, the proposed venture capital institutions are to be subject to a Dr 500m (£226m) minimum capital requirement. They will qualify for a range of government incentives, including a state subsidy equivalent to 30 per cent of any overall venture capital investment.

The authorities are anxious to promote the modernisation of Greece's manufacturing industry.

## Poehl wins second term at Bundesbank

By Andrew Fisher in Frankfurt

MR KARL OTTO POEHL, the former economic journalist and Finance Ministry official who has headed the Bundesbank since 1980, was yesterday confirmed by the Bonn cabinet for a second term.

The 57-year-old Mr Poehl, a keen golf player and skier who now has more practical experience in world monetary affairs than most top central bankers, is thus set to become the longest-serving Bundesbank president, with a total of 16 years.

Since the reappointment was expected, despite reports of earlier dithering within Chancellor Helmut Kohl's centre-right coalition—Mr Poehl is a lukewarm member of the opposition Social Democrats (SPD)—it created no real excitement on currency markets.

Instead, it underlined the close accord between Mr Poehl and Mr Gerhard Stoltenberg, the stability-conscious Finance Minister. Both have stressed, especially before the recent Venice summit, that they see little scope for further fiscal or monetary stimulus to liver up the sluggish West German economy. With Mr Alan Greenspan soon to take over as head of the US Federal Reserve Board, Mr Poehl's further period of office was generally seen as providing a welcome element of stability on the central banking scene.

"It's a good thing, from the world financial point of view, that we've got continuity in Germany to balance the change-over in the US," said Mr Giles Keating, a senior economist with Credit Suisse First Boston in London.

In trying to balance conflicting pressures from anti-inflationary feeling at home—inflation is dormant in West Germany but fears of its reawakening remain—and calls abroad to help stimulate growth, Mr Poehl has displayed an unusual (in central banking terms) mixture of pragmatism and public relations awareness.

But West Germany has remained under pressure to do more. Thus, said Mr Robert Reid, senior European economist at UK stockbrokers Phillips and Drew, "it seems appropriate, if Germany is to avoid becoming too much the international whipping boy, that there is someone heading the Bundesbank who is pragmatic, knows the ropes, and knows who to pick up the phone to talk to."

As Mr Poehl has himself pointed out, however, the Bundesbank is a big organisation, with a 17-person policy-deciding council. So getting decisions through is not always easy, and he has not always prevailed over the more conservative members of the council.

Flanking Mr Poehl at the Bundesbank is Mr Helmut Schlesinger, 62, the deputy president. He was confirmed in office for five more years until he reaches the mandatory retirement age.

Mr Poehl, avuncular and occasionally wise-cracking, has been with the Bundesbank for 10 years. His deputy has totted up a total of 35, including five with the Bank Deutscher Laender, forerunner of the Bundesbank, which was founded in 1957.

### FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, registered by E. Hugo, Frankfurt/Main, and as member of the Board of Directors, F. Bode, R. A. F. McLean, G. T. S. Damer, M. C. Gorman, D. E. P. Palmer, London. Printer: Frankfurt-Sozialdruckerei GmbH, Frankfurt/Main. Responsible editor: D. Albin, Frankfurt/Main. Circulation: 54,000 Frankfurt am Main 1, © The Financial Times Ltd, 1987.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. US subscription rate \$345.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

# "My board will want to know the answers."

Why are 12 of Japan's most successful companies now operating in Wales?

Wales has 36 biotechnology companies. Why?

In 1986, the rate of production start-ups in Wales, pro rata, was more than double the UK figure. How?

Why is Wales so attractive to hi-technology companies?

Why do nearly 90% of foreign firms in Wales describe the Welsh environment as 'conducive to further expansion'?

According to the CBI, Welsh businessmen have consistently been more optimistic than their English counterparts over the last 2 years. Why?

If your company is relocating or expanding, your Board will want to know the answers.

Call Helen Winter-Jones on Cardiff (0222) 222666 or send off the coupon.

## I want to know about Wales

Name \_\_\_\_\_ Position \_\_\_\_\_  
Company name \_\_\_\_\_  
Address \_\_\_\_\_  
Tel \_\_\_\_\_

Send to: Welsh Development Agency, PO Box 100, FT2506F  
Greyfriars Road, Cardiff CF1 1WF

## Simpson

01-734 2002  
STARTS TODAY  
9.00AM - 7.00PM

**MEN**  
• DAKS three-piece business suits ..... £245 ..... £199  
• International business suits ..... £275 ..... £195  
• Cotton business shirts ..... £36 ..... £25

**WOMEN**  
• DAKS pinfeather trousers ..... £55 ..... £27.50  
• Lambeswool sweaters ..... £92 ..... £25  
• Stephen Brothers cotton dresses ..... £52 ..... £29

# SALE

OPEN DAILY 9.00AM - 5.30PM THURSDAYS UNTIL 7.00PM



## EUROPEAN NEWS

# Hamadei to go on trial in West Germany

BY DAVID MARSH

THE BONN Government yesterday decided to put on trial in West Germany a suspected Lebanese terrorist accused of hijacking a US airliner two years ago.

But, in a move which raises the prospect of a further prolonged battle of nerves with kidnappers holding two West German businessmen in Beirut, the Government coupled the step with a strong statement ruling out any question of submitting to "blackmail" from terrorists.

The formal announcement follows months of delicate negotiations between West Germany and the US over whether Mr Mohammed Ali Hamadei, a Lebanese arrested in Frankfurt in January, would be extradited to the US.

In deciding to try Mr Hamadei in the Federal Republic on charges of murder and air piracy, as well as unlawfully carrying explosives, Bonn has tried to find a middle course between avoiding strains with Washington and safeguarding the lives of the two West German hostages in Lebanon.

The two businessmen, Mr Rudolf Cordes from Hoechst, and Mr Alfred Schmidt from

Siemens, were seized in the Lebanese capital in the week following the arrest of Mr Hamadei at Frankfurt airport. Their kidnappers, believed to be backed by pro-Iranian fundamentalists, have since said they want to bargain the lives of the two prisoners against the release of Mr Hamadei.

Mr Wolfgang Schauble, Chancellor Minister in the Bonn Government who has been playing a leading role in negotiations over the affair, yesterday defended the move to hold the trial in West Germany.

He said "strong proof" existed of Mr Hamadei's involvement in the hijacking of a TWA aircraft in June 1985 in which a US navy diver was killed. He scooped any question that Mr Hamadei could be given a pardon after a court hearing in order to secure the freedom of the hostages.

President Ronald Reagan has already declared this satisfaction that a trial will take place in the Federal Republic, in spite of earlier strong pressure from the US justice authorities for Mr Hamadei's extradition and considerable opposition to the West German move from Congress.

## Belgium pushes for UK backing on research

BY WILLIAM DAWKINS IN BRUSSELS

BELGIUM will today make a final attempt to win British agreement to an Ecu 6.48bn (£4.5bn) joint EC research scheme.

Mr Guy Verhofstadt, the Belgian Budget Minister, will this morning fly to London to meet Mr Kenneth Clarke, the Trade and Industry Minister responsible for EC research. Belgian officials said Mr Verhofstadt will try to prepare the terrain for an accord on the five-year research programme.

He is aiming to work out a deal with Britain—the only member-state to be blocking the project—in time for next week's summit of EC leaders,

which will be chaired by Belgium, the current President of the Council of Ministers.

It is understood that EC research is not on the agenda of today's meeting of the UK Cabinet, but that the Ministers involved are likely to have informal discussions on whether or not to continue their veto.

Britain has held up the project on the grounds that much of it is poorly directed and wasteful. The UK could accept a smaller Ecu 4.2bn programme, a figure which Mr Verhofstadt has argued would mean a decline in real terms from the current four-year research programme's Ecu 5.5bn budget.

## Chirac cautious on joint force

By Paul Betts in Paris

MR JACQUES CHIRAC, the French neo-Gaullist Prime Minister, has reacted cautiously to West German Chancellor Helmut Kohl's idea of creating a joint Franco-German military brigade. But in his first public reaction to the West German proposal, Mr Chirac emphasised the importance of reinforcing relations between the two countries.

The French Prime Minister said everything that strengthens Franco-German relations goes in the right direction for the future of Europe. Mr Chirac also said that Europe had to reinforce its defence and the coherence of its defence policies.

The latest West German proposals have provoked widespread interest in French political circles and the press. A public opinion poll published yesterday showed that 60 per cent of the French were favourable to the creation of a Franco-German brigade.

Mr Willy Brandt, the former West German Chancellor, also described Mr Kohl's proposals yesterday as an "interesting and symbolic idea." But he added after a private lunch with President François Mitterrand in Paris yesterday that it was necessary to go much further and that the proposal would not be sufficient to resolve the problems of European security. Mr Brandt said the problem remained there, to put in place a real European pillar of Western defence.

President Mitterrand has also given his cautious approval to the latest West German defence proposal. But he ruled out any possibility of France rejoining the integrated military structure of Nato.

Although Mr Kohl's idea has received generally cautious assent in France, Mr Michel Debré, the former Gaullist prime minister, stands out for his opposition. He attacked Mr Kohl's proposals earlier this week accusing the West German Chancellor of "treating serious subjects with a lack of gravity which pains and outrages me."

## Rome protests planned for Waldheim visit

BY JOHN WYLES IN ROME

THE SUNLIT tranquility of St Peter's Square is likely to be shattered today by protest demonstrations against the controversial official visit to the Vatican by Dr Kurt Waldheim, the Austrian President.

Pope John Paul II's decision to receive Dr Waldheim despite the allegations linking him with Nazi atrocities has proved to be the most unpopular diplomatic initiative taken by the Vatican for many years.

The fierce criticisms being fired at the Vatican from Israel and Jewish communities in Europe and the US will be symbolised by protests outside St Peter's by a variety of groups including Italian and American Jews and activists from "New Austria" which opposes Dr Waldheim's presidency. In a foretaste, the New York Rabbi, Avi Weiss, appeared on the steps of the Basilica yesterday afternoon with two companions, all dressed in concentration camp uniform.

Both Dr Waldheim and the Vatican are attempting to calm the storm. In an interview with the Italian weekly magazine Epoca published yesterday, the President said it was normal

for the head of state of a Catholic country to visit the Pope. "It is a question between us and them," he said.

The Vatican newspaper, L'Osservatore Romano, meanwhile, has published on its front page today a long article stressing that Pope John Paul II has repeatedly expressed the Catholic Church's "profound solidarity" with the Jewish experience of the Holocaust. This is the second time in less than a week in which the Vatican has sought to repudiate suggestions that receiving Dr Waldheim implies any tolerance

of Nazi atrocities—an attitude widely attributed to the Holy See during the Second World War.

Dr Waldheim will spend only two hours at the Vatican this morning, including about 30 minutes alone with the Pope. A notable absentee from the subsequent diplomatic reception will be Mr Frank Shakespear, the US ambassador to the Vatican, following Washington's decision in April to place Dr Waldheim on a "watch list" denying him entry to the US. Britain will be represented by its charge d'affaires,

## Italian hopes fade for inflation below 4%

BY JOHN WYLES

ITALIAN INFLATION seems to have stuck firmly on an annual rate of 4.2 per cent denting the Government's hopes of bringing it below the 4 per cent mark this year.

According to the monthly survey of prices in five large cities carried out by Istat, the national statistical agency, the average increase in May over the

previous month was 0.4 per cent, implying an annual rate of 4.2 per cent.

Price rises have been lodged at this level since February and the figures suggest that the benefits of the fall in oil prices and of the dollar have now been exhausted. Most independent forecasts point to an average year on year inflation rate for

Italy in 1987 of around 4.5-4.7 per cent, markedly above the 3.5 per cent predicted for Organisation for Economic Co-operation and Development countries as a whole.

The trend is worrying exporters who are complaining about declining competitiveness overseas and corresponding losses of market shares. These

are only being partially offset by booming domestic demand which the OECD reckons will grow by 4.7 per cent this year—one of the highest growth rates in the Western world. This is already showing up in rising imports which look likely to carry the trade balance into the red (£1.27bn) in 1986.

## Swedish ruling party to push for tax reform

BY SARA WEBB IN STOCKHOLM

SWEDEN'S ruling Social Democratic Party said yesterday that it would push for lower tax rates and for a fairer, less complicated tax system in the debate on tax reform.

The question of tax reform is likely to play an important role in next year's general election and already an all-party commission has been set up to examine possible changes in the tax system which could be introduced in the 1990s.

Sweden has one of the heaviest tax burdens in the Western world which is necessary to finance its welfare system—a situation which Mr Kjell-Olof Feldt, the Finance

Minister, says only encourages tax evasion.

Mr Feldt said that he was in favour of lowering the tax rates and marginal tax, and of limiting the existing tax deductions, particularly on loans, which generally mean that it is cheaper for individuals to finance the purchase of capital goods through credit rather than through their own savings.

Mr Feldt said that it was important to encourage household savings in future.

His proposals are due to be discussed at the Social Democratic Party's congress this autumn.

## Norway police seize company documents

POLICE said yesterday they had seized documents from the Norwegian state arms firm Kongsberg Vapenfabrik (KV), which is at the centre of a row with the US over sensitive computer exports to Soviet Union, Renter reports from Oslo.

Indications that the sales may have been going on longer than originally thought could embarrass Norwegian Defence Minister Johan Jørgen Holst, who is in Washington attempting to soothe US anger over the computer sales to Leninist shipyards in 1982 and 1983.

Mr Tore Johnsen, the investigating police chief, said: "We seized a

number of documents, some relating to exports from the early 1970s."

Last week, justice officials said they had started a new probe into KV exports to the Soviets and that the firm could have made more deals similar to the 1982 and 1983 sales which violated Western export restrictions.

The KV computers were used with milling machines from Japan's Toshiba Machine Corporation to make virtually silent submarine propellers.

Norwegian Prime Minister Mrs Gro Harlem Brundtland wrote to President Reagan last week, apologising for her country's laxness and pledging tough action.

## Threat to Haughey evaporates

By Hugh Carnegie in Dublin

THE PROSPECT of a snap general election in Ireland disappeared yesterday when Fine Gael, the main opposition party, backed down from a threat to vote against the minority Fianna Fail government in a key parliamentary division.

Parliament is due to rise for the summer recess tomorrow leaving Mr Charles Haughey, the Prime Minister, three clear months to pursue his central policy of tackling the problems posed by the big national debt through a programme of public spending cuts and pay restraint.

It was proposals to cut sharply into health service spending which briefly united the opposition parties against the Government, in office only three months, and raised the prospect of a fatal defeat last night.

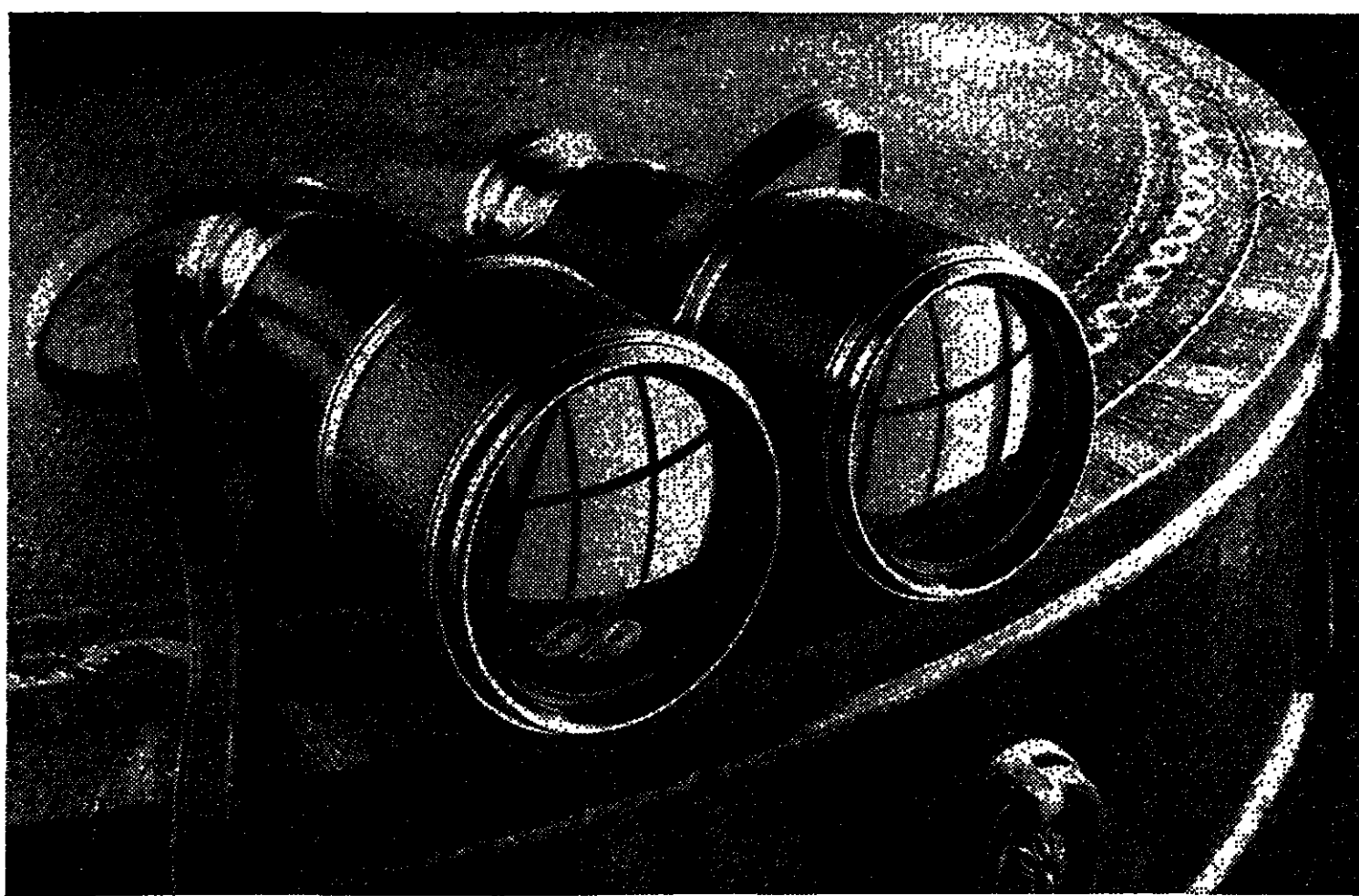
In the end, Mr Haughey banked on the threat of an early election which no party relished—especially Fine Gael—to break the opposition's ranks, and it worked.

Mr Alan Dukes, leader of Fine Gael, approached Mr Haughey about a compromise and won the minor concession that an independent committee would look into the way the health cuts were being implemented. Its report will be debated by Parliament when it resumes.

Fine Gael, which all along had not objected to the extent of the cuts, only about the way they were being implemented, then decided to abstain in last night's vote.

The episode was embarrassing for Mr Dukes who will be seen to have mishandled his first major confrontation with Mr Haughey since he took over the Fine Gael leadership from Dr Garret FitzGerald in March.

*"One of the most profitable meetings I've ever attended."*



THE GOSFORTH PARK, NEWCASTLE-UPON-TYNE

Not everyone is a racing man.

But when a racing man arrives at The Gosforth Park Thistle Hotel, he finds himself in a location closely resembling an earthly paradise.

For nuzzling alongside the hotel's 60 acres of parkland is the famous Newcastle racecourse.

And should you so choose, the Gosforth will happily loan you a pair of binoculars for an afternoon of sheer delight.

We even have our own private box, which is available for any special occasion.

And a Rolls-Royce to ferry you there in comfort.

With conference suites called Epsom, Ascot and Goodwood, sporting and fitness facilities on a grand scale, and the magnificent Brandling restaurant in which to celebrate your successes, The Gosforth Park has a unique atmosphere. One that typifies the Thistle style: never to accept the ordinary or the mundane, but to encourage originality and excellence.

Every Thistle manager is given the freedom to create an atmosphere which is refreshingly individual.

An atmosphere set by the character of the building, be it old or new; country, town or city.

And by creating a family feeling amongst his people, making it a place as enjoyable to work in as it is for you to visit.

So while the physical requirements of a first class hotel are met to the highest standards, the feeling always remains one of relaxed informality.

And isn't that a pleasant change?

Ask your secretary to ring our London reservations office on 01-937 8033 or contact your local travel agent for details of Thistle Hotels in London and 17 major cities and towns throughout Britain.

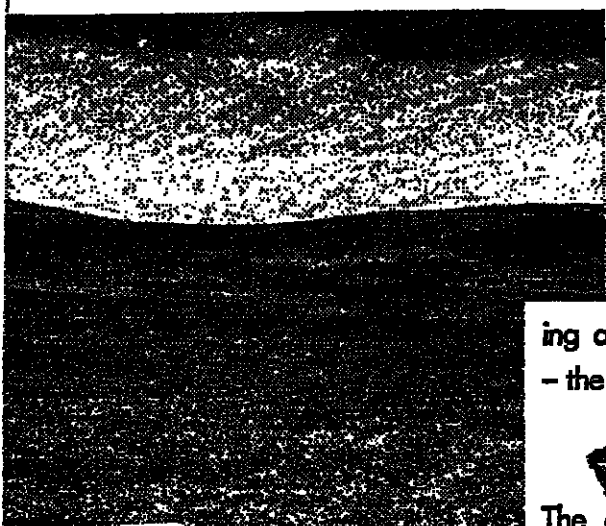
**THISTLE HOTELS**

As individual as you are.



ABERDEEN • BIRMINGHAM • CHELTENHAM • DUNDEE • DUNFERMLINE • EAST MIDLANDS AIRPORT • EDINBURGH • GATWICK/HORLEY • GLASGOW • LONDON • LUTON • MANCHESTER • MILNGAVIE • NEWCASTLE • NOTTINGHAM • RICKMANSWORTH • ST ALBANS • WYBRIDGE

## THE VILLAGE THAT DISAPPEARED



WHERE DID IT GO?

► THE VILLAGERS of Lake Anjikuni in Northern Canada, once a thriving little community, disappeared sometime in the 1930s.

► Investigators found no trace of the inhabitants who had all

completely vanished. Everything appeared to be in order and nothing disturbed in the village. A local trapper claimed that one thing was missing apart from the people—the supply of Moosehead.

The authorities were initially sceptical, but as one of the mounties put it, "WOULD ANYONE INVENT A BEER THAT'S BREWED AS AN ALE, GOES DOWN LIKE A LAGER AND COMES FROM CANADA?"





## AMERICAN NEWS

# Lawyer advised Reagan not to notify Congress

BY LIONEL BARBER IN WASHINGTON

THE CIA's former top lawyer told the House-Senate select committee yesterday that he recommended President Reagan not to notify Congress of covert arms sales to Iran because of the potential threat to US hostages in Lebanon.

Mr Stanley Sporkin — now a federal judge in Washington — also said he gave "stiff legal advice" that President Reagan's approval was needed in late 1985 to provide legitimacy for actions which the CIA had taken to ship arms to Iran, beginning with two anti-tank missiles shipped from Israeli weapons stocks.

He said when he found out that Israel, at the request of the Reagan Administration, had made two arms shipments to Iran, he intervened vigorously. He said the only rationale for the arms shipments was to win the release of the hostages.

Since the Iran-Contra scandal broke, President Reagan has refused to concede that he viewed the US arms sales to Iran as a barter for American hostages. Judge Sporkin testified that he objected when Lt Col Oliver North, the White House aide at the centre of the affair, made no mention of the role of the hostages in a memo on the arms sales.

The House-Senate select committee yesterday attempted to break the impasse over how to secure testimony from Col North, whose lawyer has set stiff conditions on the marine colonel's private and public appearance.

Senator William Cohen, a senior Republican member of the joint panel, said he wanted a favourable response quickly, or Congress would move to cite Col North for contempt of Congress. Mr Arthur Liman, chief senate counsel, said he expected to hear shortly from Col North's lawyer, Mr Brendan Sullivan.

An outline agreement between the committee's leaders and Mr Sullivan provides that Col North's questioning in private will be restricted and that he would appear before his former chief, Rear Admiral John Poindexter, President Reagan's one-time national security adviser.

On Tuesday the committee heard that Col North sought to cover up the fact that a former CIA intelligence officer, installed a \$14,000 electronic security system for his house using money from a Swiss bank account which handles the Iran arms sales.

## Garcia chooses Premier

BY BARBARA DUNN IN LIMA

THE NEW Cabinet of Peruvian President Alan Garcia is to be headed by Mr Luis Negreiros Criado, the leader of the House of Deputies, and the secretary general of the ruling APRA (American Popular Revolutionary Alliance).

Mr Negreiros will also be minister of the presidency, according to reports from the presidential palace.

The minister of the economy will be Mr Gustavo Saborido, who until now has been vice-minister of the same portfolio. President Garcia has also apparently chosen Mr Javier Tantealan as the new chief of the central bank.

The appointment of Mr Saborido and Mr Tantealan, who as

head of the planning institute has said that the fiscal deficit does not matter and that there should be more liquidity, promised to reaffirm Peru's heterodox economic programme. Mr Negreiros and Mr Saborido take the premiership and economy posts held by Mr Luis Alva Castro who resigned on Monday.

President Garcia, who has been on a two day visit to the interior city of Cuzco, has not yet made the formal announcement of his new cabinet.

In an unexpected announcement, General Jorge Flores Torres, the current minister of the army, has been named as the first chief of the new Defence Ministry.

## Democrats prepare final budget resolution

By Stewart Fleming in Washington

DEMOCRATS ON Capitol Hill were preparing yesterday to complete work on the 1988 budget resolution amid continuing uncertainty about whether Washington will be able to achieve any meaningful reductions in the 1988 budget deficit.

On Tuesday the House of Representatives voted 215 to 201 to approve the budget resolution, a vote which underscored the intensely partisan character which this year's budget deliberations have taken on.

Only three Republicans voted for the budget in the House and 34 Democrats broke ranks to join the bulk of the Republican Party in opposing it.

In the Senate a similarly partisan debate was expected to get underway yesterday.

The focus of the Republican assault has been the \$19bn of tax increases which have been drafted into the budget resolution by the Democrats. The resolution calls for some \$37bn of deficit reduction in 1988, although some budget analysts insist that as much as \$7bn of these savings are questionable.

Leaving aside these reservations, the Congressional budget claims to reduce the budget deficit for the 1988 fiscal year to \$184bn, which compares with the deficit target set by the Gramm-Rudman-Hollings budget reform law of \$108bn. On Wall Street economists question whether, even if the budget proposals are implemented, the deficit will be reduced much below the \$170bn to \$180bn many expect for 1987.

Implementation of the Congressional budget proposals is being thrown into doubt not only by the divisions among the Democrats themselves over the political wisdom of their budget plan, but also by President Reagan's vigorous efforts to exploit those divisions.

Quebec ratifies deal

QUEBEC has ratified the Meech Lake agreement designed to let it accede to the Canadian constitution of 1982, writes Robert Gibbons in Montreal. When the federal parliament and the other nine provinces have done likewise, French-speaking Quebec will be constitutionally recognised as a distinct society within Canada.

## Postponement of the Arias plan has exposed possible fatal flaws, Peter Ford reports

# No time to sue for peace in Central America

COSTA RICA'S peace plan for Central America is floundering in the face of apparently insurmountable odds, just four months after President Oscar Arias launched his initiative to broad international acclaim.

The postponement of a Central American presidential summit, due to have been held this week, has exposed possible fatal flaws in Mr Arias' plan to end all the region's conflicts simultaneously, according to diplomats here.

The possibilities of the plan look absolutely bleak, at the moment, says one Western envoy here gloomily.

Over the past two weeks, the Arias Plan, which won wide support during the president's recent European tour, has run up against open opposition from Washington and misgivings among certain Central American governments.

At the same time, apparent divisions between Mr Arias and Mr Rodrigo Madrigal Nieto, his Foreign Minister, over Costa Rica's regional diplomatic role has raised a further question mark over the peace plan's future.

The five Central American presidents had planned to meet this week to discuss the proposal, which includes ceasefires to halt guerrilla wars in Nicaragua, El Salvador and Guatemala, national negotiations to lay the basis for more lasting peace and an end to outside support for guerrilla forces.

But just two weeks ago,

after a meeting with special US envoy Mr Philip Habib, Salvadoran president Mr Napoleon Duarte asked that the summit be postponed until August.

Costa Rican officials say Mr Arias was incensed by what he saw as clear US pressure to delay the summit, but was forced to concede the postponement when Honduras, Washington's other firm regional ally, supported Mr Duarte's request.

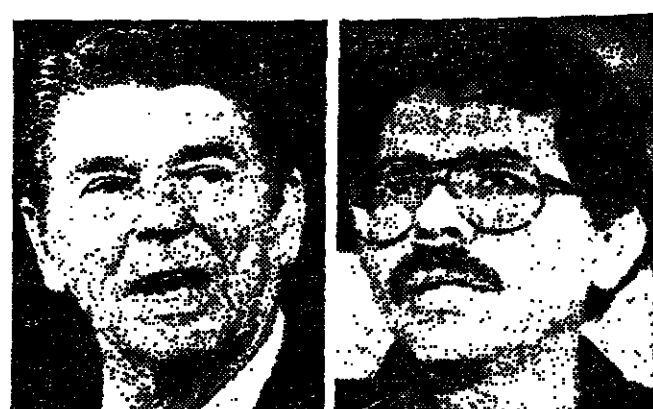
US officials have made no secret of their reservations about Mr Arias' proposals, saying the plan would relieve pressure on Managua by destroying the US-backed Contra army before the Sandinistas had moved towards "genuine democratisation".

President Reagan told Mr Arias at a meeting last week in Washington that he intended to ask the US Congress for further Contra aid this autumn.

"The key thing the Americans are thinking about is the aid vote in September," suggests one European diplomat here. "A lot of people in Congress would not vote for the aid if there was a peace plan in play."

Costa Rican officials, however, while resenting US attempts to stall their peace efforts, acknowledge that El Salvador and Honduras have their own reasons to be wary of the initiative.

President Duarte faces strong pressure from right wing groups and his own military, which oppose amnesties for political



President Reagan (left) and President Daniel Ortega of Nicaragua: neither sees an advantage in the Arias plan

prisoners, a requirement of the Arias plan. Honduran president Mr Jose Azcona is worried that, should the peace plan succeed, his country would have to deal with a disintegrating Contra army as its funds were cut off.

Nicaragua, meanwhile, has voiced no opinion on the Arias plan beyond dropping unofficial hints that it might be prepared to sign the document as it stands.

Whatever Managua's misgivings about the plan, as one Costa Rican official said, "why should the Sandinistas appear the obstacle, when they know that El Salvador has grave reservations?"

"Nicaragua is under no pressure to go along — it just doesn't want to be blamed for the plan's failure," adds a diplomat here.

Aside from outside pressures and problems, however, reported differences between Mr Arias and Mr Madrigal Nieto over how San Jose should position itself in the shifting sands of Central American diplomacy also appeared to be undermining the peace plan's prospects.

Mr Arias and his ruling National Liberation Party, says one presidential adviser, would rather see Costa Rica aligned with Guatemala — also playing

an "honest broker" role — and Nicaragua, against US allies El Salvador and Honduras.

Mr Madrigal Nieto, however, whose reputation is much more pro American, is apparently seeking to place Costa Rica in the El Salvador-Honduras camp, isolating the Sandinistas.

Mr Arias' purpose, according to his adviser, is to reinforce Costa Rica's independence and to expose what he sees as the contradiction between Washington's public support for diplomatic solutions to the Central American crisis and its insistence on using military means, such as the Contras.

At bottom, laments one Costa Rican official, the Arias plan's major problem is that Washington and Managua interpret the Central American situation in opposite ways, but draw the same conclusion: that the time is not ripe to sue for peace.

The US Administration, he believes, sees Nicaragua's economic crisis worsening and the Contras doing well enough to win further US aid, so that the rebels could win if a negotiated peace is postponed.

The Sandinistas, on the other hand, says the official, see President Reagan weakened by the Iran-Contra scandal and the Contras "strategically defeated," unable to attract more funding.

With the prospect that the next US Administration will be more flexible, he adds, Managua too would rather put off making any concessions.

## Bomb attacks hit Argentina

BY TIM COONE IN BUENOS AIRES

A SERIES of apparently co-ordinated bomb attacks in Buenos Aires yesterday damaged 15 local branches of the ruling political party, and an office of a human rights organisation.

There were no victims. No organisation has yet claimed responsibility for the attacks, which happened within 24 hours of the supreme court ruling that the controversial "due obedience" law was constitutional.

Following the ruling, more than 100 military and police officers are expected to have charges dropped.

One suspect who was released from custody yesterday under the new law, was a naval lieutenant, Alfredo Astiz. He faced a total of 18 charges and was found responsible in an earlier trial for the kidnapping of a young Swedish girl, Dagmar Hagelin in 1977, who later disappeared. Lt Astiz could not be sentenced as the charge for the crime had run out.

An open verdict was made regarding the girl's alleged murder as her body was never found. Her case is similar to those of some 9,000 others who disappeared following abduction by security forces between 1976 and 1983. Lt Astiz's name has also been linked to the disappearance of two French nuns during military rule. He also surrendered his unit on the South Georgia islands, reportedly without offering resistance, to troops of the British task force during the 1982 war.

The due obedience law, which absolves junior and middle ranking officers from responsibility for their crimes, was passed by the congress under pressure from the armed forces which threatened further rebellions if the trials were not halted.

The wave of bomb attacks comes on the heels of a warning made at the weekend by the head of the intelligence services, Mr Facundo Suarez, that ultra-right groups are in the process of reorganisation.

## US grant for Bolivia held up by drugs plan hitch

BY CHRISTIAN TYLER IN VIENNA

THE BOLIVIAN foreign minister, Mr Guillermo Bedregal-Gutierrez, said in Vienna yesterday that the US was "asking too much" in return for the reported \$120m it has pledged towards a \$300m three-year plan.

However, he said he hoped to reach an agreement in the next two weeks, following discussions with American officials at the Vienna UN conference on drug abuse and trafficking.

The US grant is conditional on reform of Bolivian statutes to make the cultivation of the coca leaf — the raw material for cocaine — illegal for all but a few traditional growers. It also depends on ironing out what Mr Bedregal-Gutierrez

described as problems of interpretation. This is thought to mean that there is disagreement about the method to be used against drug runners and the speed at which crop substitution can occur.

The minister said Bolivia was working on a new Act, the first draft of which had been adopted by the Senate.

About half the supply of cocaine to the US comes from Bolivia. Bolivia depends on sales of narcotics for two-thirds or more of its foreign exchange needs. Last year, coca growers were earning an estimated \$10,000 a year on average, compared with \$200 a year for other farmers.

Whether to take your business overseas is a hard enough decision to make. Without having to wade through bureaucratic red tape once you get there.

So, in New Jersey, we've done something about it.

To begin with, we have a computerized listing of all available sites, with excellent prices once you select one. Each of which is located in the heart of the Northeast Corridor, the richest market in the world.

In the world's largest, you'll be pleased to know we have 35,000 miles of superhighway and more railroad track per square mile than any other state.

And New Jersey is a containerized capital of the world — handling more than 12 million tons of cargo annually.

So your business or service operation needn't get bogged down by red tape. Let us help you find the right site, with no sales tax on production machinery or equipment. And we'll take care of the rest.

Now that we've told you what we can do, we'll tell you what we also can't do. We don't have an inventory of United States business law, or sales tax on production machinery or equipment. And we don't have a United States business law, or sales tax on production machinery or equipment.

So, consider us your business partner, not your boss. And for whatever you need, we'll be there.

For more information, write Mrs. Ming Hsi, the Governor's Special Trade Representative, and Director, New Jersey Division of International Trade, 744 Broad Street, Suite 1200, Newark, NJ 07102. Tel: (201) 596-7000. Fax: (201) 596-7001. Or phone (201) 596-7002.

## Move Your Business Across The Atlantic Without Drowning In Bureaucracy.

## THE GENTLEMAN'S GUIDE TO THE SAVOY SALE. Starts Today

**SAVE UP TO £100**

**SUITS**

Double Breasted and 3 Piece Pure Wool Firsttraces (Blue) £195 £99  
 ODERMARK Fine Wool Executive Suits £195 £150  
 GIVENCHY many assorted patterns £145 £175  
 CACHAREL business designs £175 £195  
 LANVIN — many fine fabrics £175 £275  
 CHESTER BARRE — large selection £225 £350  
 And many other designer suits

**SAVE UP TO £100**

**JACKETS & BLAZERS**

Double Breasted Pure Wool Blazers £125 £79  
 VALENTINO Blazers £175 £175  
 CACHAREL Sports Jackets (Blue) £145 £95  
 LANVIN — Superfine Jackets £275 £295

**SHIRTS & SILK TIES**

ARROW — striped and plain shirts £19.5 £15  
 LANVIN — plain coloured shirts £39 £19  
 CHRISTIAN DIOR — example £145 £25  
 VAN LAACK — business shirts £19 £29  
 Pure silk ties, many designs £16.5 £9.95  
 CACHAREL — silk ties £25 £14.95  
 VALENTINO — silk ties £29.5 £19.95

**TROUSERS & RAINCOATS**

Summer Trousers — assorted colours £19 £15  
 MELKA cotton trousers including belt £19 £15  
 SIDI — tropical weight trousers £19 £49  
 BURBERRY Trenchcoats £195 £165

**SUMMER SPORTSWEAR**

Designer pique half sleeve sport shirts £145 £29  
 COX MOORE cotton sweaters £125 £26  
 Leather from sweaters £195 £95  
 and substantial reductions on JOHN SMEDLEY — POLO, VALENTINO and GANT sportswear

**LADIES DEPARTMENT**  
 MONDI, BRUSTLE, LANVIN — up to 50% off.

**FREE ACCOMMODATION**  
 Spend £200 on clothes, get 3 nights FREE accommodation for two in selected hotels throughout the UK, Europe and North America.

OPEN MONDAY TO SATURDAY 9 am to 6 pm • OPEN SUNDAY 10 am to 5 pm •  
 164 NEW BOND STREET, W1 32 HANS CRESCENT, KNIGHTSBRIDGE 83 CHEAPSIDE, EC2

BEALE & INMAN LIMITED  
 13/133 NEW BOND STREET, W1

All Sale Merchandise is genuine Savoy Tailors' stock and available in full range of sizes subject to a suitable credit limit of £360 available subject to terms. APR 30.0% variable.

**SAVOY TAILORS LIMITED**  
 THERE'S NOWHERE MORE SUITABLE



## OVERSEAS NEWS

# US newsman's fate unknown as hostages freed

BY NORA BOUSTANY IN BEIRUT

MR ALI OSSEIRAN, the son of Lebanon's Shia Moslem Defence Minister, was freed yesterday near the port city of Sidon without his companion, US newsman Mr Charles Glass.

A Syrian bid to secure at the same time the release of Mr Osseiran's driver, Mr Sleiman Ali Sleiman, and Mr Glass, through subtle pressure and veiled threats to Iranian-backed fundamentalists, appeared to have failed.

Hopes that the US journalist - who came to Lebanon recently to work on a travel book - would be treated more favourably than other American hostages because he was the guest of a prominent Shia family, were dashed when Mr Osseiran and his driver were freed after a week in captivity.

Mr Osseiran, who had tried to defend his American guest during the abduction last Wednesday by wrestling with the kidnappers, reportedly refused to be freed without Mr Glass.

Security officials in West Beirut said Mr Glass could now be added to the list of nine US hostages in Lebanon. His chances for release had seemed brighter earlier in the week, but radical action by Syria to free him appeared remote yesterday.

Sources close to the Syrian military command said Syrian troops took measures to restrict the movements of Hizbullah followers, believed to be connected to the kidnappings, and Iranian revolutionary guards in Lebanon.

Unconfirmed reports said American-linked educational establishments had been threatened if Syria planned reprisals against Shia fundamentalists in the suburbs.

The Osseiran family said their son was brought to the Sidon shore by boat from Ouzai, where he was kidnapped. His clothes were drenched, which meant he had to swim a certain distance.

The bizarre release and reticence by the Osseirans on Mr Glass's fate did not shed any light on his disappearance. No group has so far claimed responsibility for his kidnapping.

Leading Shia Moslem cleric Mohammed Hussein Fadlallah, believed to be the mentor of Hizbullah or the Party of God, said yesterday that an entry of Syrian troops into the suburbs to search for Mr Glass "was out of the question."

The religious leader was personally asked to intervene with the kidnappers. He said from his well-guarded villa in the mainly Shia southern suburbs - a stronghold for pro-Iranian extremists - that Syria had no choice but to maintain good ties with Iran, regardless of specific events in Lebanon.

The intensity of efforts by Syrian intelligence officials bent on restoring their credibility as the protectors of Westerners in the Moslem-controlled parts of Lebanon have now apparently been countered by an Iranian resolve to keep Americans out.

## Zimbabwe imposes wage and salaries freeze

BY TONY HAWKINS IN HARARE

ZIMBABWE yesterday imposed a "temporary" wage and salaries freeze and promised strict control on prices pending the establishment of an incomes and pricing commission.

Announcing the move, Dr Bernard Chidzero, the Finance Minister, said the pay-freeze would be reviewed in January next year when it was hoped the incomes commission would be operational.

Dr Chidzero said the freeze was necessary for budgetary as well as national economic reasons including the strained balance-of-payments situation, rising unemployment and depressed investment.

The move is bound to be unpopular coming at a time when real incomes are falling while average real wages are estimated to be no

higher now than at independence seven years ago.

Inflation is running at 12 per cent after 14 per cent in 1986 which means that low-income workers who received a 10 per cent pay rise a year ago are already feeling the pinch.

While business leaders are relieved that the Government has not imposed a general pay increase as in the past each year, they are also unhappy at the prospect of even tighter price controls.

The pay freeze will make it easier for the Government to contain - if not reduce - the budget deficit in the 1987 budget next month. However, businessmen believe it will not be possible to maintain the freeze for more than six months and that "catch-up" wage awards will be allowed early in 1988.

## Harare business doubts

BY TONY HAWKINS IN HARARE

ZIMBABWEAN industrialists are more pessimistic now than at any time since the end of 1983 according to the latest business opinion survey conducted by the University of Zimbabwe.

The survey of 122 industrialists finds that a third of the respondents expect production to fall by more than 10 per cent in the second half of 1987. Capacity utilisation is

estimated to have declined to 67 per cent from 70 per cent a year ago while a further decline to 65 per cent is expected in the latter half of 1987.

Investment intentions have deteriorated and almost a quarter of respondents expect to cut back on capital spending in the second half of this year. Some 83 per cent of respondents say that production is being inhibited by a shortage of foreign exchange.

## Pragmatic Chissano gives a ray of hope to Mozambique

BY VICTOR MALLETT IN LUSAKA

FESTIVITIES IN Mozambique this week to mark the country's 12th anniversary of independence from Portugal will be held against a sombre background of war and famine, although recent policy moves have brought a glimmer of hope.

President Joaquim Chissano, who took over the leadership after the death of Mr Samora Machel in an air crash last year, has taken decisive steps to strengthen the army in its fight against guerrillas of the Mozambique National Resistance and to restore the shattered economy. He has also attempted to allay western fears about Mozambique's Marxist-Leninist policies with his own brand of urbane pragmatism.

Most recently Mr Chissano ordered a much-needed shake-up of the military command, appointing Lieutenant-General Antonio Ama Thai as his chief of staff, replacing nine of the 10 provincial military commanders, and changing other senior posts in a move seen as an attempt to reward the few military men who have scored successes in the war against the rebels.

Mr Ama Thai was the air force commander and had been stationed in the fertile province of Zambezia, where government troops have driven MNR guerrillas out of several important agricultural districts in the past few months.

Mozambique's army of some 14,000 has a poor reputation.



Chissano: military shake-up

Sometimes soldiers are without food or boots, and they have been accused of becoming MNR "bandits" by night to rob the local population. Strategic points captured by the Zimbabwean troops supporting Mozambique have been lost again to the rebels when left in the hands of Mozambican forces.

As the Maputo Government strives to improve the army's morale, logistics and training (the latter with the help of the British), the rebels have responded to the Zimbabwean threat by taking the war into Zimbabwe itself in line with a declaration of war they made in October.

## Peter Blackburn reports on the reasons why the West African state has suspended debt payments

# Ivory Coast runs out of patience with IMF austerity

WHEN THE Ivory Coast announced recently that it was suspending debt payments the shock waves spread far beyond this small French Speaking West Africa State.

The Ivory Coast has long been regarded as one of the rare African success stories—all the more remarkable because its rapid economic growth since independence has been based on agriculture rather than oil or mineral resources.

"If Ivory Coast cannot pay its debts then what hope is there for the rest of Africa?" bankers ask.

The Ivory Coast, with its political stability and liberal economic policies, has traditionally been a "favourite son" of bankers, bilateral and multi-lateral aid donors. Unlike some other African countries, it has not lacked financial support for its economic reforms.

The country was encouraged to borrow to such an extent that it has now become one of the world's most indebted countries in per capita terms, with external debts of over \$8bn for a population of only 10m.

The Ivorian announcement reflects the gravity of Africa's debt crisis as well as a hardening of attitude among African countries towards Western creditors both for their lack of support and the harsh conditions attached to their aid.

The Ivorian Government has

pointed out that the International Monetary Fund and World Bank austerity measures and economic adjustment programme which it has obediently implemented since 1981 have brought little benefit and much pain.

However, only last year it looked as if the country was back on the road to recovery—the economy was expanding again and a multi-year rescheduling of external debt had freed resources to help achieve a 4 per cent a year growth target.

Unfortunately the collapse in the prices of cocoa and coffee which provide some 60 per cent of Ivorian export earnings quickly undermined the rescheduling scenario.

Coffee prices have since fallen by 44 per cent and cocoa by 20 per cent, while a 15 per cent depreciation of the dollar against the local CFA currency has further reduced export earnings.

Real gross domestic product is now expected to decline by 1 per cent in 1987 compared with a 3.5 per cent annual average growth rate envisaged during the four year rescheduling.

The Caisse De Stabilisation, the state commodity marketing board, is now making a loss on the cocoa and coffee it buys from farmers at guaranteed prices.



Houphouët Boigny: backed price guarantees for farmers

As a result it expects to make a loss this year of \$330m instead of the forecast profit of nearly \$500m.

In addition to the sharp drop in export earnings, lower than expected tax revenue will continue to a forecast financial deficit of \$750m in 1987.

Despite the rescheduling, debt service remains the largest item contributing to the short-fall. Moreover debt payments are due to rise from \$1.2bn in 1987 to a peak of \$1.6bn when they will absorb over one third of export earnings.

The Government feels it has exhausted both its patience and the range of administrative

The irony of the crisis is that the Ivory Coast, the world's largest cocoa producer, expects a record crop for the third successive season. During the previous drought-linked crisis crops were badly affected while soaring dollar and interest rates swelled debt service

measures recommended by the IMF and World Bank.

"We now consider that the indefinite continuation of austerity on such a scale would endanger the political and social stability of our country," Mr Abdoulaye Kone, Economy and Finance Minister, told the country's creditors in Paris recently. After a long period of stabilisation the time has come to relaunch the economy, he added.

The Government has contacted its creditors in order to search for new solutions. Although an IMF team returned to Washington early this month after apparently having made

no progress, an initiative may be forthcoming when Mr Michael Camdessus, the IMF's director general, visits Abidjan this weekend.

In the meantime, the Ivory Coast has suspended debt payments until world commodity markets improve and mutually acceptable solutions are found.

The irony of the crisis is that the Ivory Coast, the world's largest cocoa producer, expects a record crop for the third successive season. During the previous drought-linked financial crisis in 1983-84, crops were badly affected while soaring dollar and interest rates swelled debt service.

"The country is hostage to commodity speculators and other forces beyond its control," economists say. These include sharp fluctuations in world commodity prices, dollar and interest rates and climatic conditions.

Long-term structural solutions include reduced dependence on cocoa and coffee exports, increased local processing of commodities, improved market information and use of term markets to hedge against fluctuations in commodity prices and exchange rates.

Despite some successes, notably with cotton and rubber, the country remains vulnerable to the whims of cocoa and coffee traders. However, recently prices have been depressed for all the country's cash crop

exports. International agreements to stabilise cocoa and coffee prices have been "inefficient and expensive," according to Mr Bra Karon, Agriculture Minister.

Some of the country's non-productive investments are criticised, including the construction of the world's largest basilica in Yamoussoukro. Modelled on Rome's St Peter's, it will cost about \$100m when it is completed in 1989.

Prestigious colleges of higher education, new hospitals and frequent seminars in Yamoussoukro are other targets of criticism. Funds would be more usefully spent on primary schools and drugs for dispensaries, critics say.

Amid the general economic malaise, 81-year-old President Houphouët Boigny remains healthy and the economy has replaced the succession as the main subject of speculation.

Last week President Boigny firmly scotched rumours, sparked by payments problems, of Ivory Coast leaving the CFA zone. "There is no question of it. The CFA is in good health," he told a rural development conference in Abidjan.

At the same time President Boigny announced that cocoa and coffee producer prices would be maintained despite the drop in world prices. Although a popular move, this political decision will further strain the country's finances.

## SIEMENS

# At HNH we've got production moving along the right lines



Hattersley Newman Hender, Europe's leading valve manufacturer, have installed the world's most sophisticated Flexible Manufacturing System (FMS), dedicated to valve production. It is capable of machining over 2400 different components.

A central Siemens computer provides capacity planning and scheduling. It controls seven machining centres and transport of components by automatic guided vehicles, all provided by KTM, the turnkey contractor.

FMS control extends to the fixture store, washing machines and load/unload areas - smoothing the flow of components in and out of the production process.

Siemens is one of the world's largest and most innovative electrical and electronics companies, with a clear commitment to providing a consistently high standard of service to our customers - particularly in

- Medical Engineering
- Factory Automation
- Communication and Information Systems
- Electronic Components
- Telecommunication Networks

In the UK alone we employ around 3000 people in five manufacturing plants, research and development, engineering, service and other customer related activities.

Siemens Limited, Siemens House  
Eaton Bank, Congleton  
Cheshire, CW12 1PH  
Telephone: 0260 278311



Central control through a Siemens workstation

## Innovation Technology Quality Siemens



## WORLD TRADE NEWS

## Fiat Auto signs draft pact for Algerian venture

BY JOHN WYLES IN ROME

FIAT AUTO yesterday signed a draft agreement for a L200bn (€25m) joint venture to establish a passenger car and commercial vehicle manufacturing plant in Algeria.

The deal amounts to Fiat Auto's most significant overseas investment since it set up in Brazil a decade ago.

It also marks a significant strengthening of Italy's commercial presence in North Africa after a major push in the last few years to strengthen the country's political relationships in the area.

The new venture looks to the production of around 30,000 vehicles a year from late 1990. The passenger models involved will be the Fiat Uno and Regata together with a small van, the Fiorino, and the larger commercial van, the Ducato.

According to Fiat, production should increase to 40,000 units a year for an Algerian market whose current size is 100,000 delivered vehicles a year.

The Turin company said yesterday that it fought off competition from US, Japanese and other European vehicle manufacturers to sign the agreement with L'Entreprise Nationale Production Vehicules Particuliers (ENPVP).

Fiat's initial shareholding will be worth L30bn, equivalent to 36 per cent of the joint venture's capital, and its ultimate stake should reach 49 per cent. The supply of vehicle parts

from Fiat and other, mostly Italian, manufacturers is expected to be L1,500bn over 10 years. Some local capacity for component manufacturing is also projected and this will require further expenditure on personnel training and technical assistance.

Financing of the Algerian share of the venture will be largely supplied through Italian credits which will be repaid through delivery to Italy of Algerian energy products, Fiat said yesterday.

The production plant will occupy 380,000 square metres on a site at Ain-Bouchekif, in the region of Tiarret which is about 150 miles south-west of Algiers.

Negotiations have been going on for well over a year and were helped along by a visit to Algiers last October by Mr Bettino Craxi, the then Italian Prime Minister, and Mr Rino Formica, his Foreign Trade Minister.

Among other matters, this visit may have facilitated agreement on details of the repayment arrangements for credits, involving shipments of Algerian gas.

It was not clear last night what impact the agreement would have on the negotiations which have been sporadically under way for 15 years on the establishment of a Pirelli tyre manufacturing facility in Algeria.

## Contracts signed for Argentine hydro-plant

By Tim Coome in Buenos Aires

AFTER almost seven years of protracted negotiations, contracts valued at \$270m (\$188m) are finally to be signed tomorrow for the supply of 20 turbines for the 2,760 mw hydro-electric project at Yacireta on the Argentine - Paraguayan border.

Seven of the turbines will be manufactured locally, nine others will be supplied by the US-based Voith company of West Germany and the remainder by a subsidiary of Canadian General Electric.

The US Eximbank and the Export Development Corporation of Canada are to provide \$160m finance for the foreign-built turbines, while the Argentine central bank will finance the locally manufactured ones.

Generating equipment worth \$82m for 10 of the turbines was contracted last March with a Japanese consortium led by Mitsubishi and financed with commercial credits from the consortium and additional support from the Japanese Eximbank.

The Yacireta project will be Argentina's biggest hydro-electric dam when completed in 1997 and will generate almost half of the country's present electricity demand.

So far, over \$2bn has been invested in the project since the work was first put out to tender in 1973 and the total cost, at today's prices, is expected to reach \$5.6bn. The project has suffered numerous delays because of financing problems. The first turbine is now expected to enter operation in 1993.

Contracts for the supply of turbines and generating equipment for another major hydro-electric project at Piedra de Aguila in the south of the country, were also signed recently with the Soviet Union. The project will add 2,100 MW generating power to the country's electricity grid and will come on-line in 1990.

## Dassault holds aircraft talks with Saudis

AVIONS Marcel Dassault-Breguet, the French aircraft maker, is discussing the sale of combat aircraft with Saudi Arabia, it said yesterday. But it denied a press report that a deal had been reached, Reuters reports from Paris.

A spokesman for the state-controlled company said Saudi Arabia might be interested in the Mirage 4000, a heavier, two-engine version of the widely-sold Mirage 2000, as an alternative to the American F-15.

Nancy Dunne reports on the prospects of a bill with almost unlimited scope  
Trade bill which tries too hard to please

Mr Willy de Clercq

ON CAPITOL HILL these days a sophisticated lobbying effort against the most damaging provisions.

In a "non-paper" on the Trade Bill, the EC warns against any measure—and there are several—which would limit the discretion of the President in addressing trade problems. It warns that the US cannot unilaterally change trade laws which have been agreed upon multilaterally without the risk of counter-reaction from its trading partners.

While the European diplomatic community has skillfully organised opposition to anti-investment proposals, the Mexicans have mounted a drive against a measure to redefine "natural resource subsidy" in a way which might damage their cement, ammonia and carbon industries.

A special committee of the Organisation of the American States has met with the Administration to warn of the impact the Bill could have on Latin American economies.

New Zealand is waging war against lamb quotas. Other governments have expressed their worry through special visits. Taiwan sent a delegation of state-owned industry executives who say they want

help deal with the trade deficit problem by investing their surplus foreign exchange in US industry.

Mr Willy de Clercq, the EC's foreign trade commissioner, will visit Washington from July 6-9 to lobby against provisions which both the Reagan Administration and the Community oppose.

Sir Roy Denman, head of the EC delegation in Washington, made his own appeal through an article in the Washington Post. The Community, he said, had updated its list of 30 US trade barriers that impede EC exports, a demonstration that "practices that impede trade are not limited to foreigners."

The Administration itself has drawn up a 26 page list of objectionable provisions. Some will be tackled on the Senate floor. Others will be fought over in the House-Senate conference.

Republican leaders have expressed optimism that Congress can produce a Bill the President can sign, but no one is sure. "The Bill could get worse," said Senator Robert Packwood, a key Republican, "or it could get better and better."

insure private investment in developing countries. However, it lays two controversial restrictions on US membership which would kill either Miga or US participation.

For China, everyone's favourite market among less developed countries, a new definition of "planned market economies" has been devised to lessen the likelihood of anti-dumping penalties.

To protect against feared foreign "invasion" of the US economy while the falling dollar is devaluing assets, the President may be given — unasked — the power to prohibit foreign investment when it threatens national security. Foreign investors could also be required to register their acquisitions with the Commerce Department.

These measures and a great deal more are the work of nine diverse committees originally given one brief: to improve US competitiveness. Debate is set to begin this week on the committee's work, as well as at least 100 amendments. Optimists believe the Senate will produce a final Bill in about three weeks.

The proposed legislation has been called protectionist by many critics, including the

President, who frequently threatens to veto it. In fact, Congressional Democrats have striven mightily to avoid sectoral protectionism and have sought instead to stress market opening measures and boosts for exports.

The leaders have not, however, succeeded in limiting the scope of the legislation. Its potential for economic dislocation around the world strikes terror into the hearts of foreign governments, whose Washington

representatives have mounted a sophisticated lobbying effort against the most damaging provisions.

In a "non-paper" on the Trade Bill, the EC warns against any measure—and there are several—which would limit the discretion of the President in addressing trade problems. It warns that the US cannot unilaterally change trade laws which have been agreed upon multilaterally without the risk of counter-reaction from its trading partners.

While the European diplomatic community has skillfully organised opposition to anti-investment proposals, the Mexicans have mounted a drive against a measure to redefine "natural resource subsidy" in a way which might damage their cement, ammonia and carbon industries.

A special committee of the Organisation of the American States has met with the Administration to warn of the impact the Bill could have on Latin American economies.

New Zealand is waging war against lamb quotas. Other governments have expressed their worry through special visits. Taiwan sent a delegation of state-owned industry executives who say they want

help deal with the trade deficit problem by investing their surplus foreign exchange in US industry.

Mr Willy de Clercq, the EC's foreign trade commissioner, will visit Washington from July 6-9 to lobby against provisions which both the Reagan Administration and the Community oppose.

Sir Roy Denman, head of the EC delegation in Washington, made his own appeal through an article in the Washington Post. The Community, he said, had updated its list of 30 US trade barriers that impede EC exports, a demonstration that "practices that impede trade are not limited to foreigners."

The Administration itself has drawn up a 26 page list of objectionable provisions. Some will be tackled on the Senate floor. Others will be fought over in the House-Senate conference.

Republican leaders have expressed optimism that Congress can produce a Bill the President can sign, but no one is sure. "The Bill could get worse," said Senator Robert Packwood, a key Republican, "or it could get better and better."

The proposed legislation has been called protectionist by many critics, including the

President, who frequently threatens to veto it. In fact, Congressional Democrats have striven mightily to avoid sectoral protectionism and have sought instead to stress market opening measures and boosts for exports.

The leaders have not, however, succeeded in limiting the scope of the legislation. Its potential for economic dislocation around the world strikes terror into the hearts of foreign governments, whose Washington

representatives have mounted a sophisticated lobbying effort against the most damaging provisions.

## Danish groups in electronic mail venture

By Hilary Barnes in Copenhagen

COPENHAGEN TELEPHONE COMPANY and IBM Denmark are setting up a joint venture to provide complete programmes for corporate external electronic communications, including electronic mail.

The company will be called DanNet and the two groups will each contribute Dkr 50m in share capital.

DanNet's function will be the provision of communications systems between subscribers, irrespective of which computer hardware the companies may be using, Mr Per Amnitsboell, Copenhagen Telephone's chief executive said.

Copenhagen Telephone is one of three regional phone companies, all of which operate under a government licence and the Government holds the share majority in the companies.

The new company will be operating on a purely commercial basis in an area of business which is not covered by the terms of Copenhagen Telephone's licence.

As Denmark has only a few manufacturers of telephone equipment, the Danish market has long been regarded as one of the most open to competition in Europe.

## New US-Japan chip row flares

BY LOUISE KEHOE IN SAN FRANCISCO

A NEW US-Japanese semiconductor dispute emerged this week with National Semiconductor, one of Silicon Valley's largest chipmakers, accusing Toshiba of Japan of copyright infringement. But yesterday, Toshiba denied the accusation.

In contrast to other recent trans-Pacific chip rows, both sides in this case want to settle the dispute without legal action.

National claims that Toshiba has violated copyrighted elements of one of its proprietary chip designs, but the US company says that it hopes to resolve the issue through negotiations.

"Toshiba is a valued customer and we hope to reach a settlement," a National spokesman said. Talks between the two companies, which began last week, "are at a delicate stage. We are disappointed that this issue has become public."

According to National, Toshiba bought large quantities of chips called "narts" (universal asynchronous receiver/transmitter) for use in its personal computer products until early this year. When the Toshiba orders dried up, the US company investigated, only to find, it claimed, that Toshiba

JAPAN'S powerful Ministry of International Trade and Industry announced guidelines yesterday allowing Japan to increase production of key computer microchips, a ministry official said. Reuters reports from Tokyo.

But the higher output, allowed partly to satisfy US computer makers who complained about scarce chip supplies, is unlikely to cause prices to fall, industry analysts said.

The guidelines allow for a 10 per cent rise in output of both 256-kilobit dynamic random access memory (DRAM) chips and erasable programmable read only memory (EPROM) chips.

had begun production of its own version of the chips.

"The Toshiba chips are physically different. The dispute centres on the microcode, which is copyrighted," a National spokesman said. Microcode is the internal program that controls the functions of the chip.

National's reluctance to make a major issue of the copyright dispute may also reflect concern that such action would exacerbate trade tensions between the two countries at a time when

US chipmakers are beginning to make some progress in the Japanese market.

For Toshiba, the chip copying dispute comes at a particularly difficult time. The Japanese company is already under attack in the US over export of computer equipment to the Soviet Union and has been banned from Pentagon contracts.

National's pragmatism contrasts with the attitude of other US chip makers who have been outspoken critics of alleged Japanese "copying."

In recent disputes, Intel is suing NEC of Japan for alleged copyright infringement and Texas Instruments has a patent suit filed, also against NEC.

Over the past six months, Texas Instruments has reached settlements of patent disputes with six other Japanese chipmakers.

Toshiba yesterday denied that it had copied the chip in violation of copyright.

Mr Yuji Wakayama, manager of Toshiba's public communications section, said the TC8370 integrated circuit developed by Toshiba was "similar" to NSC's asynchronous communications element, or 16450 chip.

But he repeated that Toshiba had not violated NSC's copyrights.

## Foreigners lift investment in US by 13%

FOREIGN investment in the US rose by 13 per cent last year, a \$24.7bn increase that brought the total amount of investment from abroad to \$209.3bn, the US Commerce Department said yesterday. Reuters reports from Washington.

The rise in foreign investment last year, compared with a 12 per cent increase in 1985.

Meanwhile, US investment abroad also rose by 13 per cent last year, or \$30.1bn to \$259.9bn, the department said. That was up from a 9 per cent rise in 1985.

Tax reform, concerns over growing trade protectionism, the dollar's decline in value and continued US economic growth have all helped fuel a rise in foreign investment.

Tax law changes that took effect in January 1987 encouraged investors to complete takeovers of US companies before the end of the year.

"Corporate restructuring in the US, continued US economic growth, concerns over possible US protectionist measures and depreciation of the dollar also contributed to the increase in foreign direct investment."

## Seoul riots fail to ruffle businessmen

BY MAGGIE FORD IN SEOUL

OFFICIALS AT South Korea's central bank have finally stopped crying. For days, work has almost ceased as they attempted to cope with the waves of tear gas which wafted up from the quare below, scene of some of Seoul's largest demonstrations.

Bankers have now returned to the more mundane, if no less pressing tasks of dealing with the appreciation of South Korea's currency, the won, coping with money supply and managing a surplus economy.

Even after the appreciation of the won, the outlook for the economy continues to be good. Mr Chung In Yong, the new Economic Planning Minister, announced last week that the growth forecast for 1987 had been revised upwards from 8 per cent to more than 10 per cent.

The effect of the last fortnight's disruptions on business appears to have been slight. Some companies report a drop in sales, probably due to shop closures during periods of intense tear gas battles.

South Korea has strict foreign exchange controls and hence is not subject to capital flight in times of disturbance.

Export production has been totally unaffected. Factory workers, strictly watched by their companies, and allowed no meaningful trade unions, are situated well away from the big cities where demonstrations have taken place.

Some of the more marginal overseas trading companies seem to be staying away from Seoul, perhaps alarmed by dramatic television pictures. Taiwanese companies reported an increase in orders from the US and Europe as importers worried about shipping disruptions.

In general, senior executives of South Korean companies remain unruffled. Company managers, most of whom are firmly under the control of their department heads, have been conspicuous by their absence in the streets.

Though Seoul's financial community and the rest of the educated middle class led the movement for democracy when it started in earnest on June 10, businessmen have not signed statements calling for democratic change. "Business people always remain neutral," noted one executive.

Earlier this week, the Korea Economic Daily newspaper said in an editorial that this complacency was inappropriate, as a number of economic problems were lurking for South Korea.

But business confidence remains high. "Nobody in this country wants the economy to stop growing," said one businessman. "We will be able to cope with the desire for stability and change."

## At last a replacement for the irreplaceable phone system.

Key and Lamp systems — office mainstays for companies with multiple lines — have remained virtually unchanged for 20 years.

As a result their technology is outmoded. Yet, the best other suppliers can propose as replacement equipment are systems that don't measure up to the job.

Fortunately, Norton and TR have just adopted a new British designed, electronically based system. Developed by Austin Taylor, it offers Key and Lamp users more features than were previously thought possible.

For example, there's an intercom, so you no longer have to shout instructions to colleagues. There are simple buttons to connect you to your caller instead of clumsy keys.

And bright LED displays show the status of each incoming line and desk unit. Free, busy, calls on hold and line availability are all clearly indicated.

There's even a display to tell you which incoming caller's been waiting longest. This new system connects directly into BT lines, or works in conjunction with your existing PABX.

For more information contact Austin Taylor on (0248) 600561 or complete the coupon.

Please send me more information.

Name/Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Tel No \_\_\_\_\_ FT/6/87

**AUSTIN TAYLOR**

Austin Taylor Electrical Limited, Bangor, North Wales LL57 3BX

US\$500,000,000

The Prudential Insurance Company of America

Collateralized Mortgage Obligations Series 1986-1

For the period 25th June, 1987 to 27th July, 1987 the Bonds will carry an Interest Rate of 7.575% per annum with an Interest amount of US\$259.52 per US\$500,000 (the original Principal Amount) Bond, payable on 27th July, 1987.

The Principal Amount of the Bonds outstanding is expected to be 77.085015% of the original Principal Amount of the Bonds, or US\$38,542.51 per Bond until the Seventh Payment Date.

Bankers Trust Company, London

Agent Bank

Telephone Rentals NORTON TELECOM



## UK NEWS

# Mercury plans nationwide phone expansion

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

MERCURY, the UK telephone operating company set up in competition to British Telecom, is planning to launch a nationwide service for residential subscribers within the next few months.

Mr Gordon Owen, Mercury's managing director, said yesterday that the new programme could be introduced this summer, although he ruled out August for a launch because of the holiday season.

The company was considering alternative advertising methods, he said, including television and newspapers.

Mr Owen accompanied the announcement of the new plans with a forecast that Mercury would move into profit over the next six months after losing \$4m in its financial year to the end of March. He described this achievement of profitability, only two-and-a-half years after Mercury was acquired by Cable and Wireless, as an 'industrial miracle'.

Up to now, Mercury has concentrated its investment effort on the development of a national fibre optic network and lines for corporate customers, particularly in the City of London.

Because of the deregulation of the financial markets, the City has experienced exceptionally strong demand for additional telephone lines over the last 18 months, generating more business than the telephone companies have been able to cope with easily.

Mercury, however, has been looking at the possibility of extending its services to residential customers, and earlier this year began two pilot schemes in Nottingham and Derby.

Mr Owen said the results of these projects had been better than expected and that the group was now evaluating the experiments to decide on the way in which it would introduce its national scheme.

According to Mercury, subscribers connecting to its service will save money if their quarterly telephone bill is more than £75. On long distance calls, the company offered a 15 per cent saving over the comparative British Telecom rates, he added.

New customers have to be equipped with a special Mercury telephone receiver, which has a unique switching mechanism to route calls through the local British Telecom network into the Mercury system. The company says that it would be possible to offer a satisfactory service to between 70 per cent and 80 per cent of the UK population by these means.

Mr Owen refused to give figures on the company's sales last year or the number of subscribers it now had on its system. But he claimed that Mercury's order book was now increasing at a rate of more than 300 per cent a year. In the last year it had increased its workforce by 800 to 1,900 employees, he said.

## Bank of England sues financial group for \$11m

BY HUGO DIXON

THE Bank of England is suing Britannia Arrow, the investment management group, for \$11.5m or more in an unprecedented move which puts the central bank in conflict with another important financial institution.

The dispute arises from the collapse of the Slater Walker Group, the investment house, in 1975 in the wake of the secondary banking crisis.

The Bank stepped in to rescue Slater Walker Limited (SWL), the group's banking subsidiary, eventually buying it from the group for £3.5m in 1977. Slater Walker Securities (SWS), the remainder of the group, changed its name to Britannia Arrow.

As part of its attempt to shore up the finances of SWS, the Bank at the time agreed that SWL would buy several assets from SWS, including a \$10m bond issued by a firm called Cornwall Equities which SWS had in its portfolio.

SWS indemnified the Bank against any loss by guaranteeing the payments of principal and interest.

After several takeovers and mergers, Cornwall Equities filed for bankruptcy in 1982 under Chapter 11 of the US bankruptcy laws. This, it is suggested, activated the indemnity agreement.

Britannia has not paid SWL any of the interest that has accrued since then, arguing that there were legal uncertainties. However, the Bank said Britannia had recently denied liability, prompting it to begin proceedings.

The figure of \$11.5m or more includes accrued interest since 1982. The action is not expected to be heard until next year.

The only recent comparison with this suit are the proceedings begun in 1985 by the Bank against Arthur Young, the accountant, following the collapse of Johnson Matthey Bankers.

## Call for Britain to exploit cultural gain

BY ROBERT MAUTHNER

THE VIEW that Britain's great cultural success diminishes the need for government support was vigorously criticised yesterday by Sir John Bingham, the outgoing Director-General of the British Council.

In a valedictory lecture given shortly before his retirement, Sir John said: "It would be a tragedy if, through inertia or complacency, we eroded British cultural influence as we watched the erosion of our motor cycle industry, our shipbuilding industry and so many scientific and technical innovations which originated here but were exploited elsewhere."

It should be national policy to secure the utmost benefit from the country's cultural good fortune to use it to improve Britain's reputation abroad and to support its commercial effort, he said.

Sir John referred to the view of the British Invisible Exports Council and its chairman, Lord Limerick, who told the House of Commons Se-

lect Committee on Foreign Affairs that the British Council was a net contributor to the balance of payments.

This was achieved through its background work and through the earnings it generated from abroad by its sponsored activities.

Yet, at the same time, the council's independence was being eroded because of public expenditure restraint and financial pressure from the state.

The council depended on its grant-in-aid from the Government for virtually all its activities in the developed world; all the eastern European countries; all the arts; the Council's scholarships; its books and information work; and its efforts on those countries which are potential markets for British goods.

As the grant had shrunk from £94m in 1978/1979 to £74m at this year's cash prices, so, inevitably the focus had moved away from those areas which were of political and commercial importance to Britain.

## LLOYD'S SETTLEMENT OFFER ACCEPTED BY SYNDICATE 'NAMES'

# PCW members to pay £34m

BY NICK BUNKER

THE LONG-RUNNING PCW affair at Lloyd's of London is over, Mr Peter Miller, the market's chairman, said yesterday at the annual general meeting of Lloyd's.

He revealed that 96 per cent of the 1,547 worst-hit members of the old PCW insurance syndicates have now accepted a settlement offer which clears them of any further liability for underwriting losses estimated at a net £235m.

The settlement terms require them to pay about £34m to help set up the cash fund of £134m which Lloyd's needs to provide against the syndicates' losses over the next 20 years.

The huge losses began to emerge in 1984-85, two years after it was discovered in late 1982 that the

PCW syndicates had been the victims of large misappropriations by their former managers.

About 60 PCW members (or "Names"), including six in the US, have still not accepted the offer, which was made on April 9, Mr Miller said. He expected more PCW members to accept before a final deadline of July 8. "Is it going to be under or over 99 per cent? We shall see," Mr Miller added.

So far 19 PCW Names have asked Lloyd's for help, using special "hardship" arrangements for Names who want to settle but do not have money available.

Those who do not accept by July 8 are unlikely to be able to pass the annual solvency test which Lloyd's

applies to members who want to continue underwriting, Mr Miller said.

A hard-core of PCW Names who have not accepted the offer are thought likely to sue Lloyd's and other parties in the insurance market. Possible defendants include insurance brokers such as Minet Holdings, which owned the old PCW underwriting agencies, and Sedgwick Group.

Minet has agreed to contribute up to £12.5m to the Lloyd's PCW cash fund, while Sedgwick has agreed to pay £10m.

The PCW 1985 Committee, which represented 450 of the 1,547 worst-hit members, had now been dissolved, said Mr Christopher Cros-

swaite, its solicitor. But some of the 60 who have not settled on Lloyd's terms will probably meet in London next week to form a new action committee to consider legal proceedings against Lloyd's and the other potential defendants.

Mr Miller said the small number of US PCW Names who had not accepted the offer suggested it was unlikely that they would use the American courts. "I have no indication of any Name willing to pursue the matter in the English courts at this stage," he added.

Minet's share price closed up 8p at 373p last night, Sedgwick gained 3p to 304p.

Lex, Page 18

## TUC to quit scheme for young jobless

BY PHILIP BASSETT, LABOUR EDITOR

THE Trades Union Congress (TUC) yesterday decided to pull out of the Government's Job Training Scheme (JTS), its work experience and training programme for unemployed young people which was launched nationally two months ago.

The decision of the TUC General

Council was immediately sharply attacked both by the Government and by the Manpower Services Commission. Both pledged that despite the TUC's move, the scheme would still carry on.

The TUC's move against JTS, which currently provides workplace experience and college training for

about 10,000 jobless young people aged 18 to 25, may be a prelude to a complete withdrawal by the TUC from the MSC.

Unions such as the TGWU transport workers and Nalco local government employees have been highly critical of the scheme's training content and at the allowances

paid to trainees, which are in line with unemployment or social security benefits they previously received.

Mr Norman Fowler, Employment Secretary, said the decision was against the unemployed's interests. He stressed that the Government would press ahead with the scheme

## Kinnock speeds plan to extend franchise within Labour Party

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

PROPOSALS involving a major extension of the Labour Party franchise for the selection and reselection of parliamentary candidates are now expected to go before the party's annual conference at the end of September.

Before the general election, it was thought unlikely that any recommendations for constitutional changes along the lines of "one-member-one-vote" would be ready in time for this year's conference.

But the issue has been pushed hard by Mr Neil Kinnock, the party leader, who is annoyed at the damage inflicted on Labour's national standing by the activities of extremist factions within local party organisations. Priority is now given to ensuring that the selection process is dominated by moderate rank and file members.

The options for extending democracy within the party organisation are still under consideration by a working party. Local parties and affiliated organisations have until the end of July to make their views known to the leadership.

Mr John Evans, a member of Labour's national executive committee (NEC) and chairman of the working party, said after yesterday's NEC meeting that he was now "pretty confident" some form of

constitutional amendment would go before the annual conference.

Mr Larry Whitty, the party's general secretary, said it was clear that some extension of the franchise to include all individual members would take place.

The original 11 options for democratising the selection process has now been reduced to two. The first, most favoured plan, envisages the introduction of a simple, one-member-one-vote rule change while the alternative would entail some form of electoral college system designed to maintain the balance between individuals, trades unions and other affiliated members.

A detailed formula for the electoral college approach has yet to be worked out, but it would be similar to the system employed for the election of the Labour leader, in which affiliated organisations account for a proportional share of votes cast.

Mr Whitty said he was confident that further discussions by the leadership would enable a single recommendation to be put before conference delegates. A special meeting of the NEC in early September might be necessary to finalise the proposals.

In the wake of the general election campaign, Labour's finances have suffered badly

# Motorway sanity.

Roll on 1993.

For the first time ever, Eurotunnel plans to bring together the motorway networks of Britain and the Continent.

Until then, we'll just have to make do with a cross-Channel transport system that's little short of motorway madness.

Well, how else would you describe a system that can mean motorists having to book and pay for a particular sailing weeks in advance?

That encourages drivers to risk speeding just to catch a ferry that's never been caught for speeding in its life?

That can cause Britain's international export drive to be held up by something as simple as a Force 9 gale?

In six years' from now, Eurotunnel will be offering an alternative to this lunacy.

Drive-on, drive-off rail shuttles will express both cars and lorries from England to France in thirty-five minutes flat.

That's virtually an hour faster than the fastest ferry.

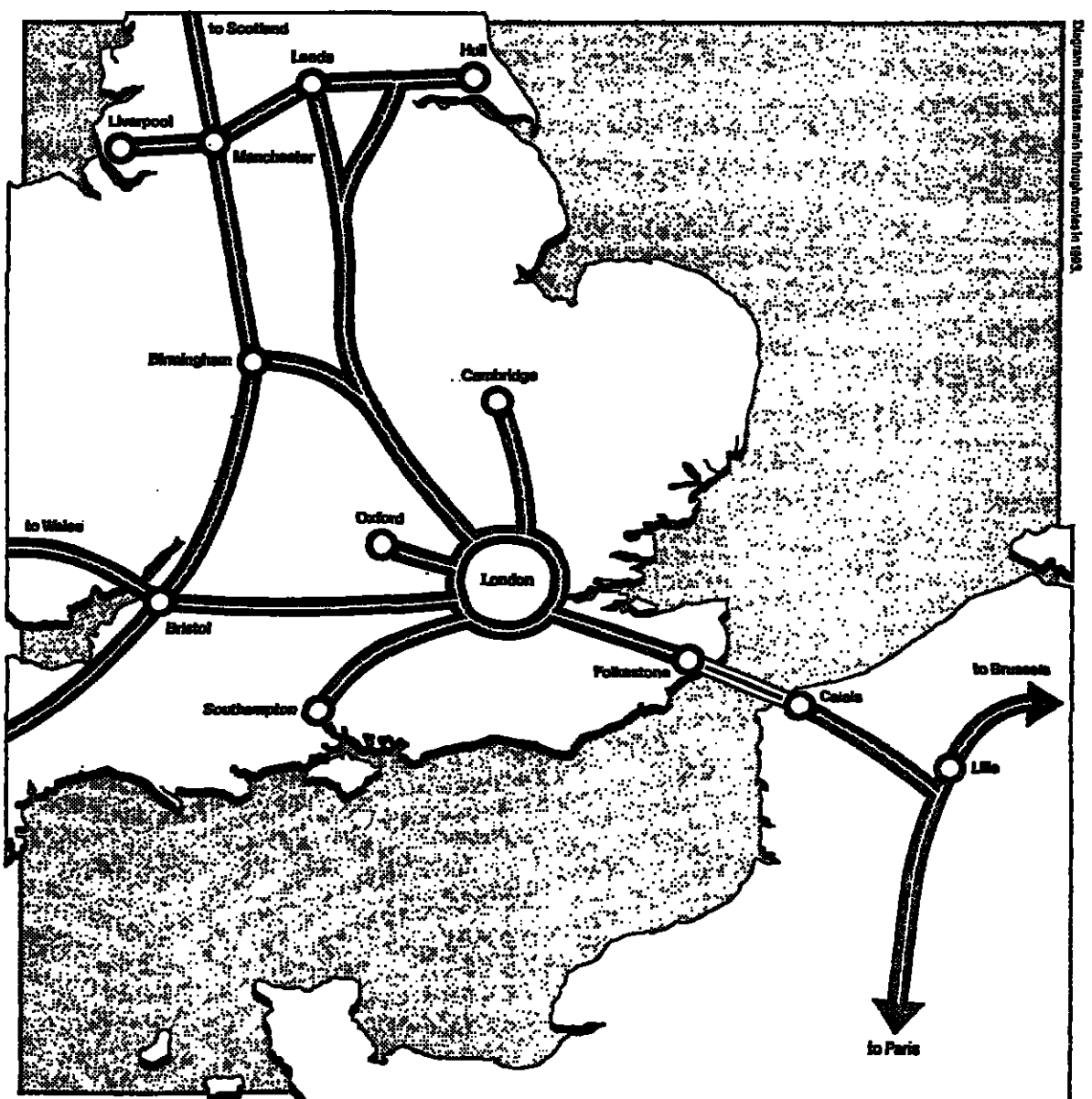
And at peak times, the service has been scheduled to operate not every hour, but every ten minutes.

So there will be no need to book. No need to roar down the M20.

And no need whatsoever to provoke the unwelcome attentions of the Kent County Constabulary.

Eurotunnel will overnight make cross-Channel communications fast, efficient and dependable.

A welcome change from the straitjacket we're in now. **A breakthrough for Britain.**



12 FREE issues when you first subscribe to the F.T.  
Frankfurt (069) 7594-101 now and ask Wilf Brüssel for details.

**National & Provincial Building Society**

£200,000,000 Floating Rate Notes 1996  
Notice is hereby given that the Rate of Interest has been fixed at 9 1/8% p.a. and that the interest payable on the relevant Interest Payment Date 23rd September, 1987 against coupon No. 6 in respect of £5000 nominal of the Notes will be £117.36 and in respect of £100,000 nominal of the Notes will be £23,47.26.

Agent Bank:



**Lloyds Merchant Bank**





Business volume		in DM millions 41,497	
Total assets		40,531	
Claims on customers of which: long term	20,170 18,855	DSL-Bonds outstanding	21,718
Claims on banks	10,684	Liabilities to banks	8,860
Securities	2,147	Liabilities to other customers	1,538
Transmitted loans (on a trust basis, special-purpose funds)	6,475	Liability capital (as of June 16, 1987)	612

1986 was another good year for DSL Bank. Our new lending commitments expanded by 47% over 1985 to DM 74 billion. Total assets rose by 15.6% to 40.5 billion with the business volume increasing by 15.1%

to DM 41.5 billion. We procured DM 10.95 billion in the capital market, DM 5.28 billion through the issue of DSL-Bonds and DM 5.67 billion in short and medium-term borrowings. The Bank's earnings

potential continued to strengthen. It was our pleasure satisfying the needs of our corporate, banking, real estate, agricultural, public sector and foreign clients. Doing business with us enhanced their pro-

spects for continued success, and our's, too.

DSL Bank

DSL Bank, Head Office: D-5300 Bonn 2, Kennedyallee 62-70, Tel. (226) 88 9-0, Branches: Berlin, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart.

## UK NEWS

### Shorter hours deal 'best defence for engineering'

BY JOHN GAPPER, LABOUR STAFF

AN AGREEMENT with employers on flexible working practices offered the best defence against continuing decline in the British engineering industry and further redundancies, Mr Bill Jordan, president of the Amalgamated Engineering Union, said yesterday.

Mr Jordan called for engineering unions to reach a deal trading off cuts in working hours for increased flexibility. He was speaking at a meeting of the Confederation of Shipbuilding and Engineering Unions.

He said unions had no alternative but to make such an agreement covering up to 2m engineering employees because "there is no Labour Government lifeboat on its way, and we are on our own in radically changing times."

Mr Jordan, chairman of the confederation's engineering committee and a leader of negotiations with the Engineering Employers' Federation, which have been in progress since 1984, said a draft agreement was close and the only substantial obstacle remaining was disagreement over the timing of working-hours cuts.

He said individual companies were already making deals on increased flexibility without the compensation of reductions in hours. The proposed deal would "end the historic discrimination of blue-collar workers within the industry."

Renewed opposition to the anticipated provisions of a draft agreement, which the confederation expects the employers' federation to

present at the end of next month, was expressed by leaders of the manufacturing union Tass. They argued that it would be inferior to one reached between West German engineering employers and the IG Metall metalworkers' union.

Mrs Barbara Switzer, Tass deputy general secretary, said the price the confederation's affiliated unions were being asked to pay for cuts in hours from 39 to 37½ a week was too high and an agreement would not protect jobs because the employers intended it to be self-financing.

The GMB general workers' union also raised doubts about the advantages of an agreement, supporting a Tass metal mechanics section motion that a shorter working week should not be accepted "at the expense of hard-won conditions and practices long established."

Tass, the GMB and the TGFW transport workers' union led confederation members who opposed continuing negotiations on the proposed deal in February because they feared it would open the way for employers to withdraw recognition from unions representing a minority of workers.

Mr Jordan responded to Mrs Switzer's criticism by accusing Tass of "lying" about the confederation in a document which he claimed had said that secret negotiations were being conducted with the employers' federation.

He said that after the February meeting the confederation's negotiating committee had pressed the

federation on the issues about which the dissenting unions were unhappy and had managed to gain concessions on two of them.

A much tougher clause against diminishing of any union's existing recognition rights would be included in any agreement and an employers' proposal that staff might have to accept a variable working hours had been withdrawn.

Mr Jordan told the confederation's annual meeting in Llandudno, North Wales, that the only remaining disagreement considered to be a significant difficulty was the federation's proposal that working-hours cuts should be implemented in three-yearly stages timed to coincide with each of its 5,000-member companies' annual pay rounds.

The confederation was continuing to insist that the implementation should be in two yearly stages unified throughout the industry, rather than accepting the practice of separate domestic pay settlement dates for each company.

The meeting accepted Mr Jordan's report to the confederation, but also passed the Tass motion calling for no sacrifices in working conditions and practices.

It also passed a separate resolution calling for a "substantial" increase in basic rates in the engineering industry to 80 per cent of the skilled workers rate, an increase in overtime rates from time-and-a-third to time-and-a-half and a new premium for continuous shift working.

### Controls on sale of alcohol to be eased

By Lisa Wood

LICENSING LAWS in England and Wales which govern the hours that alcoholic drinks may be offered for sale are to be reformed. Mr Douglas Hurd, Home Secretary, gave a pledge yesterday that public houses would be allowed to remain open for 12 hours a day, Monday to Saturday, between 11am to 11pm. Sunday hours would remain unchanged.

His remarks foreshadowed today's Queen's Speech to Parliament which will outline the Government's forthcoming legislative programme.

Licensing laws governing the sale of alcohol were introduced in Britain during the First World War. They were designed to restrict the time that munitions workers had available for drinking alcohol. Scotland reformed its licensing laws about 10 years ago and the change was widely applauded.

The restrictions on the sale of drink have appeared to overseas visitors to Britain as archaic and out of step with modern-day needs.

Mr Hurd said: "While it would not be sensible to replace the present law with a free for all, the time has clearly come for the law to be brought up to date and reformed."

If nuisance was caused to those living near licensed premises the licensing justices would be empowered to reduce the opening time.

Mr Hurd said the Government had looked at the Scottish experience. A study by the Office of Census and Population Studies showed the introduction of more flexible hours in 1977 in Scotland showed that the changes had little impact on problem drinking, and that drinking habits had become more relaxed.

Mr Hurd added: "The Government is well aware of the need to remain alert and sensitive to the effects of the abuse of alcohol on health and its connection with crime."

With an obvious eye to possible critics of more relaxed drinking hours Mr Hurd said the Government would be looking to see whether it needed to do more to encourage responsible drinking habits.

### Consumers turn to fast foods

BY CHRISTOPHER PARKES, CONSUMER INDUSTRY EDITOR

BRITISH CONSUMERS are prepared to pay a handsome price for food which can be eaten straight from the pack or microwave oven.

They are increasingly fond of eating in a restaurant rather than at home, and their sedentary habits are having a significant effect on how much they spend on food and the type of food they buy.

The Government's latest household spending survey suggests that people will turn away from seasonal food - even though prices may

fall in real terms - and plump instead for convenience meals.

Average spending on convenience foods rose almost 8 per cent in 1985, despite inflated prices. Prices of seasonal foods fell more than 1 per cent, but expenditure also dropped, says the annual report of the National Food Survey Committee.

The cost of convenience products - the official definition of pork pies and canned soup with more fas-

hionable ready-made meals - increased more than 6 per cent, although the "real value" was only 1 per cent higher.

Prices of all foods rose 3.8 per cent in the year under review, and spending on all food went up 4 per cent.

Spending on convenience foods rose about 50 per cent between 1980 and 1985, compared with a 27 per cent increase for household food in general, the report says.

# The £160-million advance.

Plessey has won a £160-million tactical radio programme for the Australian Army.

Called Project Raven, it provides the Australian Army with the most advanced electronic-warfare-resistant system in the world.

Project Raven is based on the Plessey System 4000 range of HF and VHF manpack and vehicle-mounted equipment.

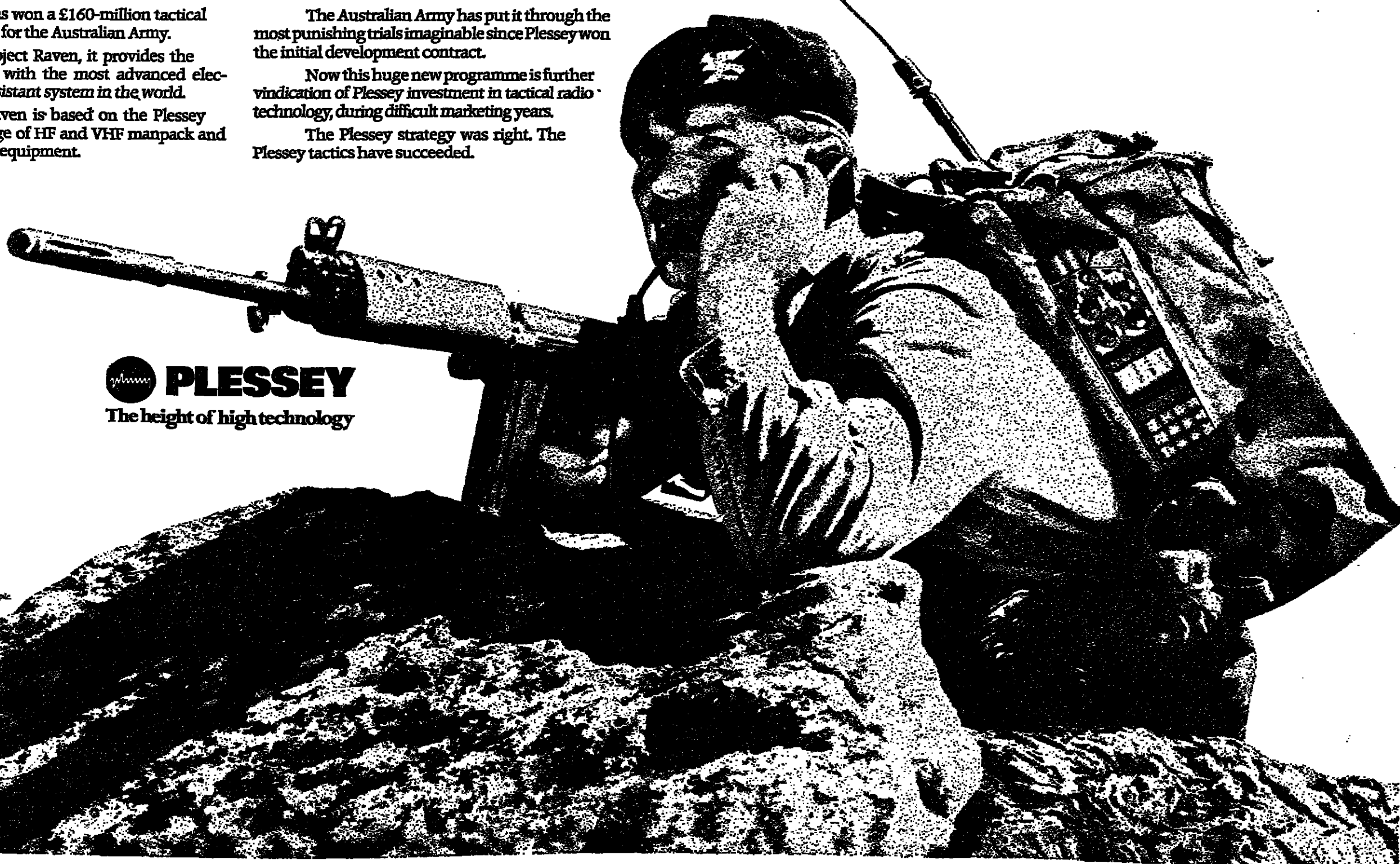
The Australian Army has put it through the most punishing trials imaginable since Plessey won the initial development contract.

Now this huge new programme is further vindication of Plessey investment in tactical radio technology, during difficult marketing years.

The Plessey strategy was right. The Plessey tactics have succeeded.

**PLESSEY**  
The height of high technology

Plessey and the Plessey symbol are trade marks of The Plessey Company plc.





## UK NEWS

# Prince Charles backs opera house scheme

By PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

PRINCE CHARLES has been drawn into the controversy over the modernisation and extension of London's Royal Opera House, Covent Garden. The Prince, who has gathered a reputation for his activities in inner city revival and as an architectural critic, has said he believes it is important that the development should go ahead.

A statement from the Royal Opera House yesterday said: The Prince felt that the development would safeguard the future of the Royal Opera House and "ensure that it is in the best possible position to increase the popularisation of opera for future generations".

The development is contested by local groups active in the district of the Royal Opera House. Westminster City Council's planning committee will decide next week on the application for planning consent to go ahead.

The intervention of Prince Charles has, therefore, come at a sensitive time. It appears to be part of a propaganda battle between the Royal Opera House and the Covent Garden Community Association, which has its own ideas of a suitable modernisation programme, in advance of the planning committee meeting.

The project involves changes not only to the opera house itself but also an offices and retail scheme to defray £33m of the £56m cost. The Covent Garden Community Association has produced an alternative scheme.



Prince Charles: Safeguard for Royal Opera House

On this occasion, it appears to be the Royal Opera House that has brought the Prince into the planning dispute. Its statement follows a private meeting last Friday between Prince Charles as Patron of the Royal Opera House and Royal Opera House officials to discuss the development project.

"What he wants is for planning permission to be given," said a Royal Opera House spokesman. Buckingham Palace knew very little about the statement. A spokesman said the Royal Opera House was handling the whole matter.

The Association yesterday regarded the intervention of Prince Charles more in sorrow than in anger. "He is in a very difficult position", a spokesman said.

Members of the Royal Family are not normally involved in planning controversies, although Prince Charles's classification of designs for an extension of the National Gallery in 1984 as "a monstrous carbuncle" was at least partly responsible for having that scheme scrapped.

On this occasion, it appears to be the Royal Opera House that has brought the Prince into the planning dispute. Its statement follows a private meeting last Friday between Prince Charles as Patron of the Royal Opera House and Royal Opera House officials to discuss the development project.

"What he wants is for planning permission to be given," said a Royal Opera House spokesman. Buckingham Palace knew very little about the statement. A spokesman said the Royal Opera House was handling the whole matter.

## Motorola cellular expansion boosts jobs

By David Thomas

MOTOROLA, the US electronics group, is planning a steady increase in its UK cellular telephone operations which could mean a doubling of the workforce over the next four years.

At present, Motorola, the main equipment supplier to the Cellnet cellular network, employs about 500 people on cellular work in the UK.

About half of these make cellular sets at Motorola's factory in Stotfold, Bedfordshire. The other half are involved in service activities, such as distribution, installation and maintenance.

Mr Don Burns, managing director of Motorola's communications division in the UK, said the company was planning a steady expansion which could increase employment in its UK cellular operations to about 1,000 over the next four years.

Part of this expansion would come from producing more equipment for export.

Motorola already exports to China and has orders from Japan and Scandinavia.

However, Mr Burns added that probably no more than 100 new jobs would be created in manufacturing, because Stotfold's operations were becoming more automated.

Most new jobs would come from service activities because of the increase in demand for cellular telephones in Britain, he said.

Customers were joining the Cellnet network at more than 1,400 a week, thanks to a marketing drive launched by Cellnet in May, according to Mr Colin Davis, Cellnet managing director.

Mr Davis predicted that Cellnet would soon have more subscribers than Ercal Vodafone, the rival cellular network. At present, Vodafone has slightly more subscribers than Cellnet.

FIND THE  
FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER  
LONDON · FRANKFURT · NEW YORK  
EVERY MORNING

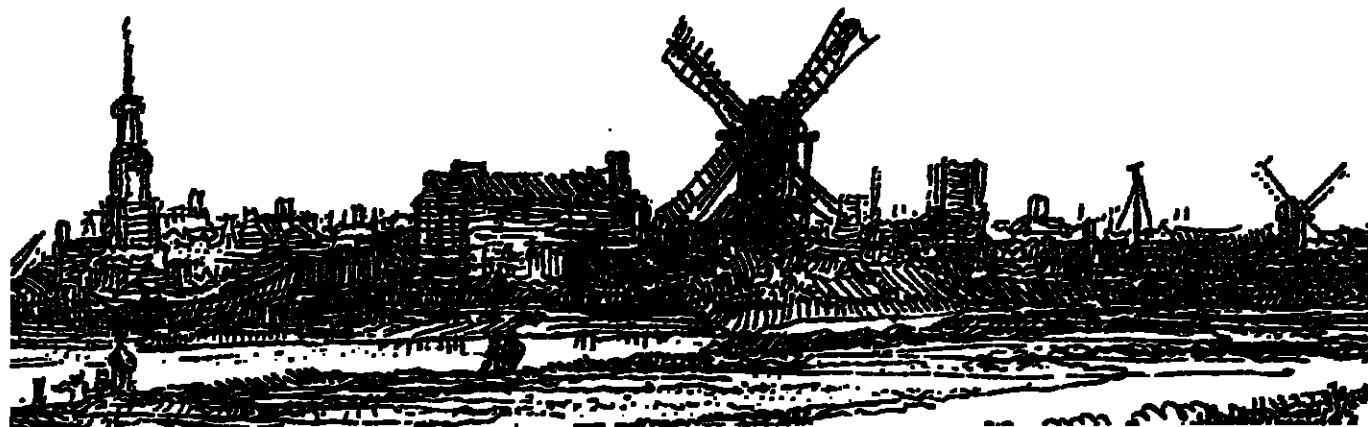
# Rabobank Financial Highlights

as of December 31 (in millions of Dutch guilders)	1986	1985
Total assets	139,689	131,744
Total loans	91,131	85,219
Total deposits	103,353	98,170
Own funds	7,723	7,048
Net income	685	668

Rabobank Nederland, London Branch (Licensed Deposit Taker), 63 Mark Lane, London EC3R 7NE. Telephone: (01) 4882311. Telex: 892950.

Rabobank Nederland, Croeselaan 18, 3521 CB Utrecht, the Netherlands. Telex 40200. New York, Antwerp, Paris, Singapore, Hong Kong, Jakarta, Curaçao, ADCA-BANK (Frankfurt, Berlin, Bonn, Düsseldorf, Hamburg, Hanover, Munich, Stuttgart).

Rabobank



## Staff of News on Sunday are dismissed

By Raymond Snoddy

ALL THE staff of the News on Sunday newspaper which was launched earlier this year, were yesterday given dismissal notices by the receiver called in last week.

The process has begun of selecting between 70 and 80 out of the total staff of 153 to be re-employed by Growler, the company set up by Lancashire businessman Mr Owen Oyston to continue publication.

Little work has yet been done on this Sunday's edition and unless staffing decisions are taken quickly there is a danger the paper will not be printed. Failure to publish would be a serious blow to hopes to make the loss-making paper viable in the long run.

Last week's circulation was about 200,000, implying that circulation is stable.

The plan is to continue publishing the paper with a licence from the receiver allowing use of the News on Sunday's assets.

## Revived gilts market exhausts tapstock

By JANET BUSH

STERLING'S RECOVERY this week coupled with attractive yields on UK Government bonds after the sharp fall in the market since the general election finally combined to exhaust the current tapstock yesterday.

The £1bn issue of 8 per cent Treasury stock 2002/06 "A" was issued on May 14, and the bulk of it had remained on the Bank of England's books until this week when the authorities decided to slash the price.

Before the election, the stock had been priced at 30%. On Tuesday, the tap had been reactivated after a long pause at a price of 26% and it was exhausted yesterday at the higher price of 27%.

The decision to cut the price on Tuesday was meant as a signal that prices had fallen far enough, and the Bank appears to have had some success in setting a floor for the market.

Probably about half of the total issue was sold yesterday and on

Tuesday. Several market makers yesterday appeared rather baffled as they were seeing very little retail demand either from domestic institutions or overseas investors.

However, other primary dealers reported modest but widespread demand as investors started to respond to yields well above 9 per cent after the market's sharp decline since the election.

The gilts market has been closely shadowing movements in sterling since the election. Last week, prices were pushed sharply lower as sterling looked vulnerable on foreign exchanges.

However, after a bad day for the pound and gilts on Monday, a reversal in the dollar's rising trend has helped both markets to recover their losses.

Another factor helping gilts has been the pronounced weakness on the Japanese and West German bond markets.

# British Airways and 12 European Airlines introduce AirPlus.



Airlines are well-placed to know all about business travel. That's why we decided to create the AirPlus Card, exclusively for business travel and expenses.

AirPlus helps you and your company manage your business trips efficiently, before, during and after you travel.

Using AirPlus you can pay for travel, hotels, car hire, business entertainment worldwide, and of course, arrange this through your travel agent. It allows your company to manage its travel expenses better, by giving itemised billing, tailored to each individual company's

needs, not just a standardised formula. With AirPlus, the need for cash advances is reduced and cash flow is improved.

With the strength of Europe's top airlines behind it, AirPlus will be invaluable in making business trips easier and more hassle-free. Companies will find it the most useful card around because it is limited to expenditure in the business environment.

Ring the British Airways AirPlus Section (01-562 0078) or contact your travel agent today, and find out how much the AirPlus Card can help you and your company.



The business card above all others.

EXPENSES • HOTELS • RESTAURANTS • CAR HIRE



## UK NEWS

## Scientists to identify homes facing high radiation exposure

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH GOVERNMENT scientists are to identify all UK dwellings whose occupants are exposed to high levels of natural radioactivity, and make proposals for remedial action.

The homes, mostly in south-west England, are believed to number at least 3,000, or about 3,000 when those in Scotland and the north of England are included. A survey suggests that as many as 20,000 homes in all may be exposed to above average radiation levels.

Some homes are exposing their occupants to higher levels of radioactivity than is permitted for workers in the nuclear industry. Cases have already been found of homes with eight times as much radiation as would be permitted for workers in a proposed new nuclear waste repository.

The investigation is being made for the Environment Department, by the National Radiological Protection Board, the Government's watchdog agency for public exposure to radiation.

The board's scientists have already given a warning to the Government of the dangers of the population - in particular Devon and Cornwall in the west of England - is running from the radioactive gas radon, which seeps from the ground. It arises from the rela-

tively high concentrations of uranium in the underlying rocks.

About 2000 homes are believed to expose occupants to 50 millisieverts or more a year - the limit permitted for "radiation workers" in the nuclear industry. The Government has been advised to set an "action level" of 20 millisieverts of radiation exposure as the limit for existing dwellings, and to aim at a limit of 5 millisieverts a year for new homes.

The Environment Department's building research establishment has begun a research programme into ways of reducing exposure. In the case of existing homes, it is developing methods of sealing floors and foundations to reduce seepage of radon. In more serious cases, this may also include methods of under-floor ventilation to draw the radioactivity away from the house.

Another experiment about to begin involves filling a deep laboratory pit with soil from a high-radon area, and construction of new designs for foundations and floors upon this radioactive soil. The aim is to find new ways in which architects can offer radon-proof designs.

A spokesman for the Building Research Establishment said it could already guarantee quite appreciable reductions in radon, but its target was to find ways of doing so at minimal cost.

## Retailers interest rates 'close to extortion'

By Christopher Parkes

INTEREST RATES charged by some British retailers on their in-store credit cards are "bordering on the extortionate," Mr Michael Montague, chairman of the National Consumer Council, said in London yesterday.

Annual rates on certain cards were more than 30 per cent he said in a speech on the recent reference of the credit-card market to the Monopolies and Mergers Commission.

Even though banks had complained that store cards had been excluded from the investigation, Mr Montague said this was not the case. Sir Gordon Borrie, director general of the Office of Fair Trading, had said all credit cards were to be reviewed.

Mr Montague, chairman of the Valor industrial group, said the council would ask the Monopolies Commission to consider whether interest rates were punitive.

It would also want a review of competition in the credit market - what the consumers' credit access was and the extent to which lending put the borrower at risk.

Stronger safeguards were needed to prevent fraudulent use of a lost card.

## Bae's quiet approach to sales success

Michael Donne looks at how Britain's leading aircraft manufacturer aims to stay competitive by cutting costs in a crowded marketplace

WHILE acknowledging its success in winning the commitment from TNT Group of Australia for up to 72 of its Type 146 four-engine regional jet airliners over the next five years, British Aerospace (BAe) has become increasingly concerned at the need to reduce its production costs and selling prices to meet increasing competition in world markets for aircraft of this 100-seater size.

Detailed prices are not revealed for commercial reasons, but at around \$20m per aircraft, the 146 is considered as competitive as BAe can currently make it.

However, competition to the 146 is formidable and growing. It includes the recently-developed Dutch Fokker 100 twin-engine 100-seater and the small McDonnell Douglas MD-87. The latter is manufactured on a large production line with other versions of the MD-80 series of aircraft, which enables McDonnell Douglas to keep its prices down.

Boeing is an even more formidable competitor, having recently launched its own 100-plus-seater version of the highly successful 737 twin-engine short-range jet airliner. The 737 is already the world's best-selling aircraft, with total sales of 1,842. Production is currently running at 14 aircraft a month and may well be increased soon.

Such extensive production has enabled Boeing to reduce both its overheads and the development cost of new models and thus cut its selling price to airlines.

Against such competition, BAe knows not only that it must keep the selling price of the 146 down, but also that the aircraft's operational benefits to airlines must be exceptional.

BAe is fortunate in that the 146 has several such advantages, the most valuable of which is its low noise level. The 146 is judged by airlines as the quietest jet airliner in the world.

It is the only jet permitted to operate into some airports on the US west coast, such as Orange County, California, where noise rules, because of local residential hostility, are severe. This enables jet commuter services to be flown with the 146 where no other jet could operate.

It was in the US that the aircraft's unique low-noise levels were first appreciated and from where the first big orders came, such as from Air Wisconsin, Pacific Southwest and Presidential Airways. To date, six US operators between them have ordered no less than 86 of the 146s, with 10 more on order. The TNT deal and many of those US customers have options on additional aircraft.

In addition, however, the 146 with its high wing has a short runway and take off from rough and unprepared strips, which makes it more

adaptable for use in difficult terrain than other small jet airliners.

This is why some other operators have bought it, in spite of fierce competition, notably Aspen Airways of Colorado, a small regional airline which has bought three, and the Civil Aviation Administration of China, which has bought ten for use in remote regions where airfields are often rudimentary.

BAe itself is exploiting these capabilities to the full in its marketing and is pursuing orders in developing countries of South-East Asia and the Far East in particular, but also in Africa and Central and South America.

The TNT order will be invaluable to BAe in helping to promote further sales world-wide, for it is an endorsement of all these capabilities.

But because many of the potential sales are likely to be in the developing world it is all the more important for BAe to keep its prices down, because most potential customers are not rich airlines, but small regional or commuter carriers, or struggling airlines in undeveloped areas.

Money is scarce, and a few hundred thousand dollars off the price can make all the difference between winning or losing an order.

This is primarily why BAe is conducting its current campaign to cut production costs by as much as one third by 1992.

The campaign is being waged not only in BAe's own factories, but also through BAe's many suppliers at home and overseas, including the US. More than 40 per cent of the aircraft, including the wings, engines and some of the avionics and other systems, come from the US.

BAe has the disadvantage that, so far, it has not been able to achieve the big production runs and economies of scale that its rivals, Boeing and McDonnell Douglas, can achieve, and thus keep their costs and prices down.

BAe had already decided to set up a second production line at Woodford, Manchester, doubling output to 40 aircraft a year, but the TNT order would probably have forced such a decision, anyway.

The TNT deal and the prospect of additional orders as a result from other airlines will enable BAe to put pressure on its suppliers to cut their own prices, although there is bound to be resistance.

In its own factories, where BAe has total control, it can be as tough as it likes with managers and unions over such matters as working practices, overtime pay and con-

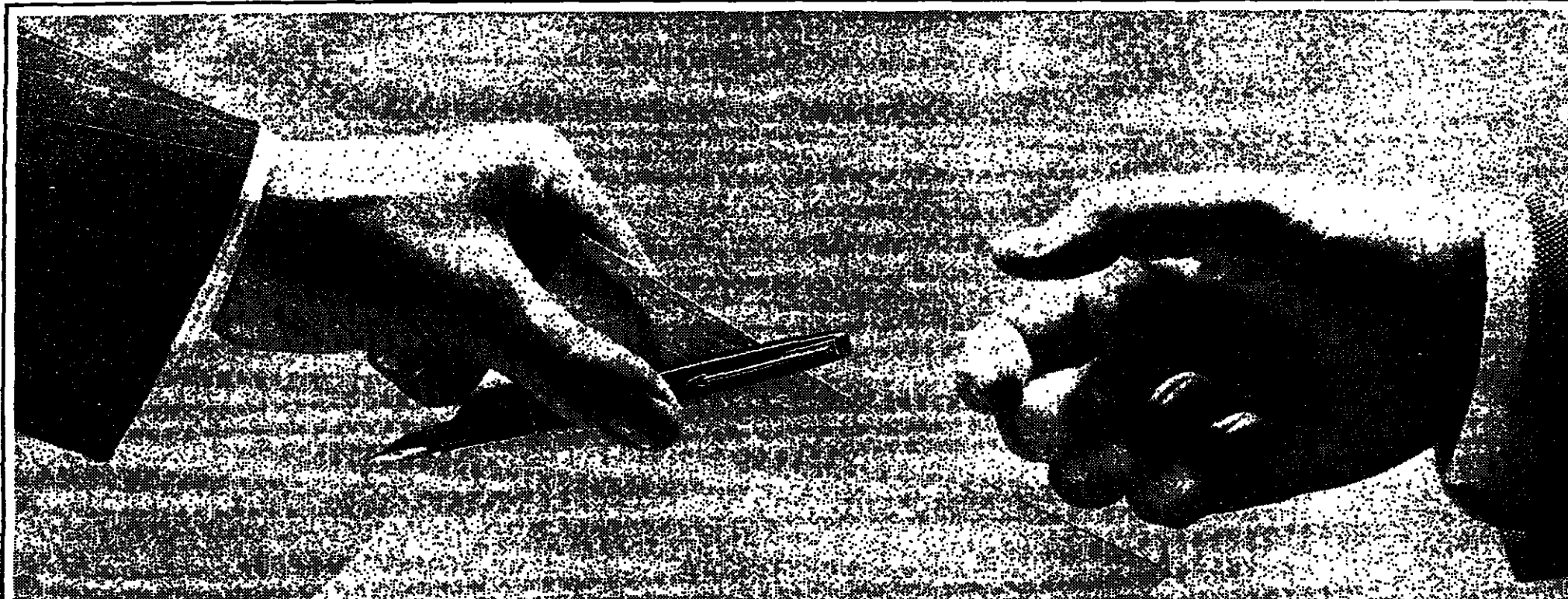
ditions of service, all of which influence production costs. There may be some fierce bargaining, but the critical factor must be whether BAe can get its costs down sufficiently to enable it to go on selling in an increasingly competitive market.

It is only by cutting costs, trimming selling prices and winning more orders that BAe can sustain jobs in its civil aircraft factories - and 10,000 are employed on the 146 alone inside BAe, with another 10,000 employed indirectly in the supplier companies.

Although the current publicity has focused on the 146, the cost-cutting campaign is aimed at all BAe civil programmes: the Jetstream 31, the Advanced Turbo-prop and the 125 Executive jet, as well as the 146.

As part of its promotion campaign, BAe is also offering the 146 in several versions: the Series 100 and 200 standard models, the Quiet Trader, a variant of the Series 200 and now also the larger Series 300 which, although intended to be a more spacious 100-seater than the earlier models, will also be capable of seating up to about 120.

There are also ideas for promoting the aircraft in a wide range of military versions, for troop transport, medical evacuation, maritime patrol and surveillance and as an aerial refuelling tanker. BAe cannot afford to ignore the potentialities of the military market, which can often add hundreds of aircraft to an otherwise primarily civilian order book.



# "The terms on which my company borrows couldn't be more favourable. I write them."

We at Lloyds Bank have gone and done a most un-bank-like thing. We've introduced a range of financing methods that are designed to suit the borrower. Not the lender.

We call them our Premier Range. And to a large extent, their terms can be dictated by you, the company director.

Take a look at our Premier Revolving Loan, for example.

It revolves because you can draw on it, pay it back, draw on it, pay it back, and so on, and so on. (In fact, it's like an extended overdraft, though with added benefits.)

Once the basic outline has been agreed, you can even choose your own interest rate options and say how long they will last.

Your borrowing can be base rate linked. LIBOR linked. Eurocurrency linked. Or in the form of acceptances.

Depending on what's most suitable for your needs, you can put together all or any one of these. And you're free to change them during the course of the loan.

(Of course we'll be only too happy to advise you on these matters at your convenience.)

The minimum you can borrow is £100,000, with no maximum.

So your company doesn't have to be a worldwide conglomerate in order to benefit.

The Premier Range also offers other equally attractive possibilities.

There's the Premier Deferred Loan which allows payment of both interest and capital to be postponed for up to 3 years.

Plus a Premier Term Loan with repayments which can be spread over 15 years.

Each of these has further cost-effective options and combinations.

To find out more about them, call in at any branch of Lloyds Bank.

Or telephone anytime, free of charge, on 0800 444 122. We're ready and waiting for you to tell us exactly what you want.



A THOROUGHbred AMONGST BANKS.

Written details are available from Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS. Security may be required. Loans are at the Bank's discretion.

## UK ECONOMIC INDICATORS

**ECONOMIC ACTIVITY**—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vacs.
1986							
1st qtr.	102.1	102.2	105	119.3	146.0	11.71	168.5
2nd qtr.	102.3	102.5	105	121.3	154.8	11.52	175.6
3rd qtr.	111.0	105.0	106	122.7	158.7	11.52	200.2
4th qtr.	110.8	107.3	111	126.5	164.3	11.41	212.9
October	110.9	106.7	106	125.0	165.5	11.06	212.5
November	111.2	107.4	110	127.4	169.9	11.15	215.2
December	110.4	107.7	114	126.7	174.9	11.19	219.0
1987							
1st qtr.	112.1	107.0		125.4	157.0	10.73	210.4
January	111.1	105.0	114	123.0	155.5	11.14	210.1
February	112.0	107.9	108	127.0	164.5	10.82	207.1
March	112.3	107.5		125.5	157.5	10.90	210.6
April	112.6	108.1		126.0	160.0	10.18	212.9
May				125.7	162.0	10.54	231.2

**OUTPUT**—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Investment goods	Intermediate goods	Eng. output	Metal mfg.	Textile mfg.	Housing starts
1986							
4th qtr.	103.9	102.3	113.5	103.3	112.6	102.4	15.6
1987							
1st qtr.	103.2	101.5	115.4	101.5	110.4	102.5	14.2
2nd qtr.	104.7	100.6	115.4	102.1	110.1	102.5	15.6
3rd qtr.	104.5	101.4	117.4	103.4	107.5	102.3	15.3
4th qtr.	105.1	102.5	115.5	105.3	115.7	102.9	15.3
September	105.1	102.1	115.5	104.9	115.5	102.9	15.4
October	107.0	102.7	116.6	105.0	112.0	104.9	15.3
November	108.5	102.5	116.2	105.0	117.0	106.0	15.9
December	108.1	103.2	114.8	106.0	118.0	102.0	16.7
1987							
1st qtr.	106.4	103.7	118.6	105.5	116.0	102.5	17.3
January	106.0	103.0	117.2	105.0	107.0	102.0	12.7
February	108.9	103.7	119.8	106.0	124.0	102.0	16.6
March	108.2	104.3	118.8	106.0	116.0	102.0	20.6
April	107.1	104.9	118.5	107.0	117.0	104.0	20.5

**EXTERNAL TRADE**—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms of trade	Reserve US\$bn
1986							
1st qtr.	117.5	124.9	-1,227	+682	+1,000	101.0	18.75
2nd qtr.	121.0	128.5	-1,551	+94	+772	100.5	19.20
3rd qtr.	122.6	133.5	-2,573	-831	+646	103.1	20.14
4th qtr.	130.5	142.4	-2,682	-754	+846	106.3	21.97
September	128.2	138.3	-331	-194	+258	102.3	22.42
October	127.0	138.6	-715	-190	+228	101.5	21.90
November	132.5	146.7	-1,008	-38	+354	102.0	22.01
December	131.6	143.9	-887	-272	+296	100.1	21.52
1987							
1st qtr.	131.6	132.2	-1,135	+685	+1,104	100.5	23.75
January	131.4	131.4	-94	+84	+553	100.2	21.96
February	134.4	138.0	-286	+306	+100.4	102.0	22.20
March	136.9	139.2	-417	+183	+454	100.5	27.04
April	130.8	137.1	-594	-96	+419	102.4	29.81
May							24.68

**FINANCIAL**—Money supply M0, M1 and M3 (three months' growth at annual rate); bank sterling lending to private sector; building societies' net inflow; HPI, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending	Building soc. inflow	HPI	New credit	Base rate
1986								
1st qtr.	4.1	21.4	19.3	+4,203	2,229	7,375	11.50	
2nd qtr.	3.1	25.9	27.5	+4,435	1,433	7,739	10.00	
3rd qtr.	5.0	22.4	15.5	+4,596	168	8,223	10.00	
4th qtr.	7.6	15.3	14.1	+10,321	2,514	8,178	11.00	
September	6.6	34.3	17.5	+4,886	85	8,771	10.00	
October	6.3	19.1	14.5	+3,488	1,951	2,759	11.00	
November	6.4	28.4	18.0	+3,547	169	2,635	11.00	
December	10.1	6.6	9.1	+3,196	703	2,794	11.00	
1987								
1st qtr.	1.2	20.6	20.1	+4,507	1,475	8,381	10.00	
January	7.7	18.0	12.5	+1,099	456	2,605	11.00	
February	6.1	10.8	17.8	+2,578	472	2,948	11.00	
March	-2.0	32.7		+1,309	547	3,238	10.00	
April	5.8	20.9	32.1	+1,522	727	3,009	9.50	
May						521		9.50

**INFLATION**—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

	Earnings	Basic mteria	Wholesale	RPI	Foodst	Reuters comdty	Sterling
1986							
1st qtr.	179.1	128.4	143.4	96.5	90.9	1,035	75.1
2nd qtr.	184.0	125.8	145.7	97.8	90.7	1,174	76.1
3rd qtr.	187.4	128.0	146.3	97.9	90.3	1,174	76.1
4th qtr.	191.0	127.4	147.4	99.1	90.3	1,086	82.2
September	188.8	122.4	146.7	98.2	90.3	1,097	70.4
October	191.2	127.5	147.4	99.3	90.1	1,276	67.5
November	193.4	130.4	147.9	99.6	90.3	1,038	68.4
1987							
1st qtr.	192.1	130.0	149.2	100.2	100.5	1,000	69.9
January	190.4	131.9	148.9	100.0	100.0	1,000	69.9
February	191.2	125.6	148.7	100.4	100.7	1,001	69.9
March	194.6	130.4	149.7	100.6	100.7	1,000	71.9
April	228.7	130.5	151.8	101.6	101.6	1,004	72.4
May	228.5	151.0	151.3	102.2	102.2	1,012	72.3

† From January 1986 includes amounts outstanding on credit cards.

## Travelling by air on business?

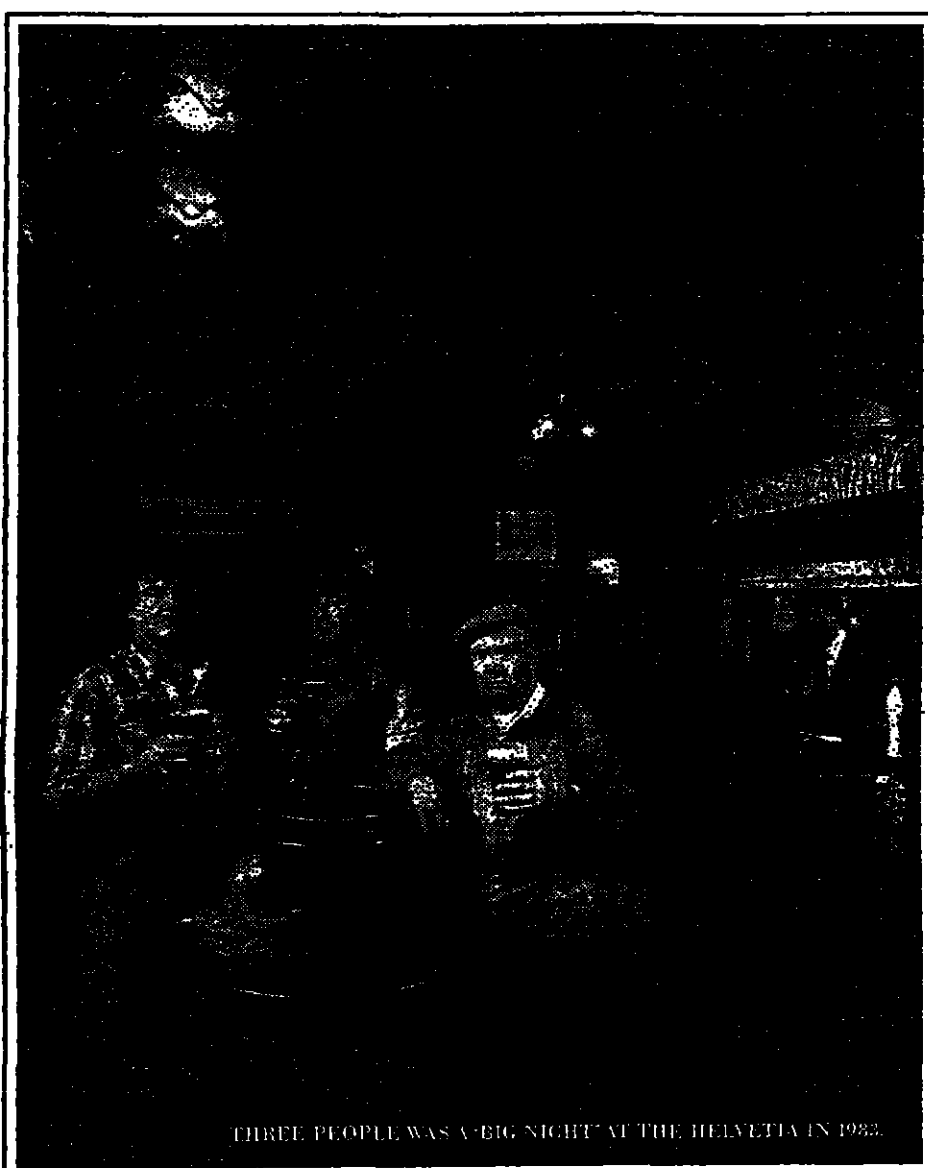
Enjoy reading your complimentary copy of the Financial Times when you are travelling on scheduled flights from...

British Airways, Canadian Pacific Air, KLM, Lufthansa, Pan-Am, Singapore Airlines, Thai Airways International</



# SOME OF OUR PUBS HAVE BECOME A LOT MORE SUCCESSFUL SINCE WE ADDED GROUND COFFEE, BROCCOLI AND GRUYÈRE TO THE BEER.

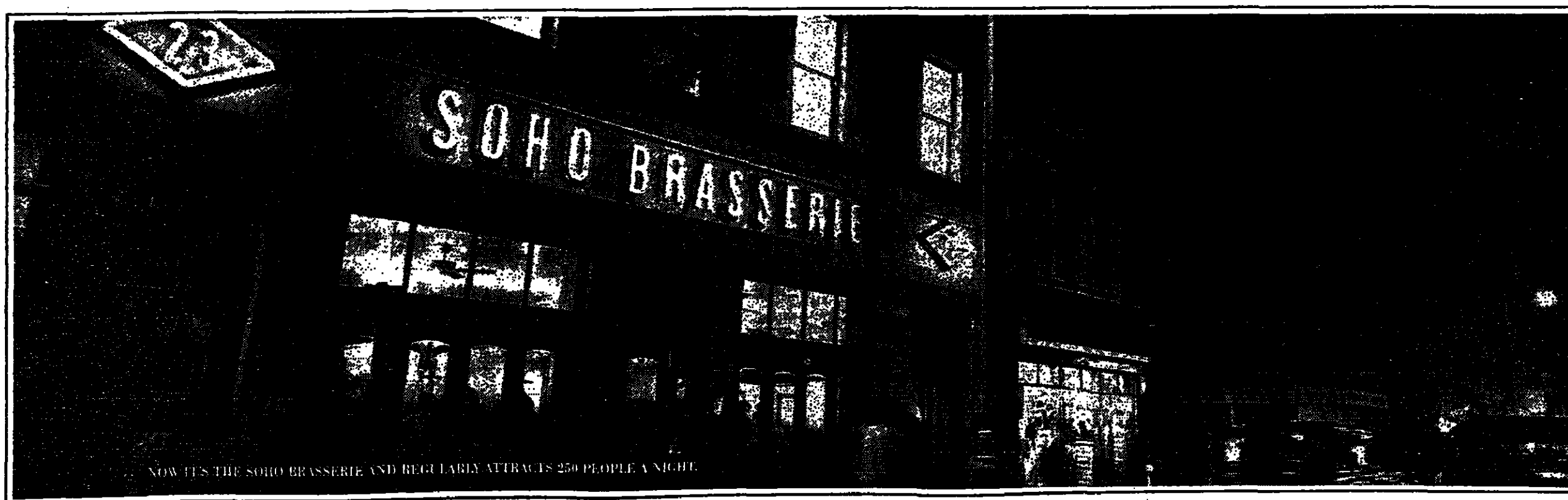
It's certainly been a recipe for success in Soho. In 1983, The Helvetia in Old Compton Street, was one of those pubs where three pints of bitter and a packet of cheese and onion crisps was a big order. Today on the same site, expensively padded shoulders jostle with each other at the bar, for another couple of champagne cocktails before dinner.



In three years the Soho Brasserie has paid back every penny we invested in it and established itself as what one magazine described as, 'the Rovers Return of the media set'. And it's a perfect example of the way we've been looking at our 6900 pubs. Not of course that we intend to put brasseries on every street corner.

The Soho Brasserie is just one result of our policy of researching what's missing in an area, then building it. In Watford, we discovered what would get people out for the night was a night spot. So we converted a large roadhouse pub into The Gamebird. It's now a thriving, jiving success, turning over £750,000 a year.

And in Bolton, we found what they were crying out for was a really traditional pub. The Howcroft is now packed every night and has anything but traditional profits. In the last few years we've spent £270 million on our pubs. And in some places we noticed the last thing people wanted was another pub. So we've turned them into café-bars, restaurants or wine bars. And giving people what they want really pays off.



Our profits have never been higher. The success of places like the Soho Brasserie is all part of our commitment to our role as a leading international food, drink and leisure group. Which is of course, of little consolation to our competitors. So we offer them this advice. To achieve our success, start by discovering what's missing from your beer. **Allied-Lyons**



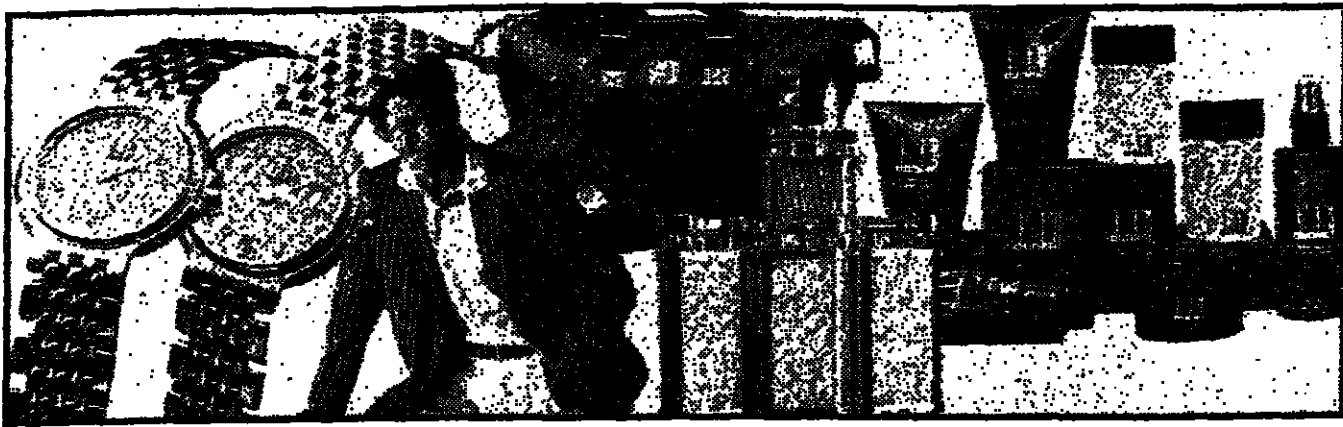
# MANAGEMENT: Marketing and Advertising

THE JAPANESE often answer foreign critics who claim that their country is beset with trade barriers and market notoriously difficult to penetrate by saying that it is in fact one of the most open in the world. There are few physical restrictions to imports and average tariff rates are lower than those of either the US or the EC.

It is a reply that both infuriates and bewilders the exporter who knows how difficult it is in practice to sell into Japan, and yet it also contains a heavy dose of truth. One of the things that makes Japanese trade practices so difficult for the outside world to cope with is that its so-called barriers to trade are in fact intangible—a matter of culture and social practice as much as economics.

Some companies have, however, managed to penetrate the Japanese culture rather successfully. One of them is Dunhill Holdings, the UK tobacco to fashion concern, which has been exporting to Japan for more than 20 years. According to Anthony Greener, the chief executive, Japanese consumers last year bought roughly a third of the £525m worth of products carrying the Dunhill group brand names which were sold around the world.

Of course, Dunhill's position in the luxury consumer goods market gives it a natural advantage in an affluent country whose consumers are looking for expensive, high-status goods. Yet Greener believes that his basic principles of doing business in Japan apply to others just as well.



Part of the range of Dunhill products which have found favour in Japan

## Breaching a cultural barrier

Peter Montagnon explains how Japan came to be Dunhill's most successful export market

There are four main points to remember, he says. Some of them, like the need for a long-term view and to have a local presence so that the exporter can understand the market, are fairly obvious. The other two are not so readily understood. They are, first, that good distribution is essential, and second that in Japan quality counts for everything, certainly much more than basic price.

"The Japanese have an extremely highly developed sense of quality. You've simply got to meet their quality aspirations, or you're not going

to do business," he says. Moreover, quality means not just that the product itself is right; it's also about quality of distribution, presentation, packaging and promotion. Deviation from this principle in any area causes doubts in the Japanese mind and can put the customer off the product itself, he says.

At one stage Dunhill started buying shirts manufactured in Hong Kong. These were not intended for distribution in Japan, only in other parts of the world; yet still their Japanese buyers objected. They complained that the practice

was likely to undermine the company's image as a purveyor of quality European merchandise and, although there was nothing wrong with its Hong Kong shirts, Dunhill reverted to manufacturing in Europe. About 10 years ago, Greener adds, Dunhill made the basic decision that "the mechanics of Japanese distribution are something that only the Japanese really understand." Now Dunhill products are sold in Japan through a subsidiary of the C. Itoh trading house (which is also responsible for the manufacture under licence of the few Dunhill products which are

made locally for the Japanese market). C. Itoh, which had always had connections with Dunhill's local distributor, was chosen "because of its clout," but even its role and that of Dunhill's local office are carefully delineated. The C. Itoh unit is responsible for importing and physically distributing Dunhill products as well as negotiations with stores, while Dunhill's own office handles business development, liaison with the UK head office and marketing, including control of advertising. It is a combination which seems to work, not least be-

cause Dunhill has avoided the mistake of assuming that the focus of the relationship between the two sides should be concentrated at the top. Instead it is handled in a tiered way with contact at every level through the two organisations. At the lower levels, more than at the top, language is important. Greener speaks no Japanese himself, but lower level executives in the Dunhill organisation, who need to have direct contact with their Japanese counterparts, do.

Dunhill's success in Japan was partly a matter of luck. In the 1970s its lighters became a status symbol that set its brand name firmly on the map. Now, with the arrival of a younger generation of affluent consumers the market is changing with less emphasis on prestige goods for their own sake, but still, Greener says, an unrelenting demand for quality and design.

The lesson for would-be exporters is a hard one. Japan cannot be treated like other markets and left to occasional visits by an export manager. A physical presence in the country, eye for detail and quality and the right distribution strategy are all of paramount importance. It may be that for many companies the effort and cost involved are too much to make the return worthwhile, but although Greener is too polite to say so directly, failure to rise to the challenge should not necessarily be excused by saying the market is closed. "Japan is different. I don't call that a non-tariff barrier; it's just different. You can't expect just to go there and take a Western approach."

## Sofa so good for M and S

By Christopher Parkes

MARKS AND SPENCER, the UK clothing store which took on the multiple greeters and showed them a trick or two, is showing signs of repeating the performance in the furniture trade.

From a standing start a year ago, it now has 35 furniture outlets. According to the market research specialist Verdict, its sales per square foot of some £200 are "unparalleled in the specialist furniture sector."

A new study of furniture and carpet retailing says the rapid growth, which includes free-standing stores as well as furniture departments in larger M and S outlets, shows that the company is confident it can develop a significant new speciality.

Verdict also suggests that the business could grow even faster if manufacturers could step up output. M and S tries to avoid the delivery delays which plague the furniture trade, and is packing openings to keep in step with expansion at its main suppliers, Christie Tyler and Peter Black.

However, M and S is still a long way behind the market leaders. The report says that Harris Queensway and MFI/Allied new share the top position with 10.8 per cent of the market each. The private Gilt group is a distant third with 3.5 per cent.

Harris Queensway now seems set to overtake MFI/Allied, after catching up rapidly in the past three years. It bought Times from GUS last year, and is currently launching two new chains: Mad Max, a discount carpet operation, and Right Price, which sells furniture. MFI is also developing its business from its traditional base, and has taken on the launch of pilot stores under the Ashton Dean fascia.

These sell up-market branded furniture in out-of-town stores. R&Q, the Woolworth Holdings do-it-yourself subsidiary, is launching a similar venture based on its Homecentre stores.

Allied, MFI's sister company, has dropped the word "carpets" from its name to reflect the widening of its range into furniture and fur-

nishings, and increased its selling space by 60 per cent last year.

However, despite all this activity, the home furnishing market has still to enjoy fully the benefits of the consumer spending boom which have brought so much joy to other consumer durable retailers in the past two years.

Total sales for the sector rose just 6 per cent last year to £4.6bn, Verdict estimates. Although self-assembly furniture sales have grown by 32 per cent since 1980, the traditional market has expanded by only 8 per cent.

Newcomers like Marks and Spencer and Next Interiors, the spin-off from the Next empire, quickly carved out respectable and potentially profitable shares for themselves. Another new name, IKEA, arrives this autumn, and threatens a further shake-up in the trade.

The Swedish-based company, acknowledged as the largest furniture retailer in the world, has been having trouble finding suitable sites in Britain. With competition mounting from super-markets, DIY and other out-of-town chains, its demand for sites of a minimum nine acres has proved hard to satisfy.

Store number one opens near Warrington later this year, and a further prized site—sought by MFI—has been acquired next door to the Tesco superstore in Nossington, north London.

IKEA already operates in 18 countries, and has more than doubled its sales and selling space since 1980. Stores on the IKEA scale of 130,000 sq ft, with 15,000 lines on offer compared with Habitat's 5,000, have not been seen in Britain, and their impact is difficult to assess.

Habitat has started to respond by opening its first out-of-town outlet. However, Verdict believes none of the existing majors need be too fearful. "The market is sufficiently big and remains fragmented enough to accommodate IKEA and other new entrants," it says.

Verdict on Furniture and Carpet Retailers, £450, Verdict Research, 112 High Holborn, London WC1V 6JS.

## Soft drinks are given an even harder sell

THIS WEEK, Cadbury Schweppes, the UK soft drinks and confectionery group, is launching a £7m advertising campaign for its soft drinks range. This move signals a further intensification of competition in the £2.5bn UK soft drinks market. Last year the company's soft drinks division spent £1.5m on promoting its soft drinks in the media.

This increase is partly a result of the formation early last year of a joint bottling and distribution company in the UK with Coca-Cola called Coca-Cola & Schweppes Beverages (CCSB).

Coca-Cola, the world largest soft drinks company, will itself in this year spend about £25m in the UK on advertising its Coca-Cola, Diet Cola and Cherry Cola brands, an increase of about 50 per cent on last year. Pepsi-Cola is the major com-

petitor in the UK cola market to Coca-Cola. Until last year Pepsi-Cola was manufactured under a franchise agreement by Cadbury Schweppes. But in 1986, after the deal with Cadbury Schweppes ended, Pepsi-Cola took a 10 per cent stake in Britvic Corona, the other major UK soft drinks company which now bottles Pepsi.

Britvic Corona intends this year to spend £30m on advertising and below the line support. Pepsi will account for £8m. Britvic Corona was itself set up last year when the UK-based Beecham Group sold most of its soft drinks interests to Britvic. Apart from Pepsi's stake, Britvic-Corona, is now jointly owned by leading brewers Bass, Whitbread and Allied Lyons.

The result of this major reorganisation of the drinks industry has been the emergence

last year of two powerful groups, Coca-Cola & Schweppes Beverages and Britvic Corona, each controlling about a quarter of the British soft drinks market. The rest of the industry is made up of about 150 much smaller companies, many struggling to survive in the highly competitive and unbranded supermarket own-label volume business.

The strategy of both the two major groups has been to rationalise their bottling and distribution businesses and to promote their branded products. Both companies loudly proclaim that their intention is not to scramble for market share by vigorously discounting prices but rather to expand the total UK soft drinks market where per capita consumption lags well behind that in the US and many other European countries.

In the CCSB, grouping some 20 depots have been closed, two sales forces merged, and two delivery fleets merged and one factory closed. Both Cadbury Schweppes and Coca-Cola, however, maintain responsibility for promoting their respective brands.

Mervyn Blakeney, managing director of Schweppes International, which includes Schweppes Great Britain, says: "The restructuring has had the effect of making more intensive use of manufacturing assets and an improvement in profit margins. Some of that margin we want to reinvest in both improving the perception of our brands as well as driving for share in the total market."

The new advertising campaign concentrates on giving a more youthful appeal to Schweppes's classic mixer drink, tonic, and catching the attention of the 10-15 age group.

more drinks available from vending machines. This strategy has been arrived at thanks to the experience of Coca-Cola which has pointed out the poor availability in the past of soft drinks in the UK.

"Coca-Cola has brought to us their worldwide experience in distribution," says Blakeney. "We have brought to them our national organisation in the UK."

In addition to increased promotion, Cadbury Schweppes is also looking to increase the number of outlets where its products are consumed by making



more drinks available from vending machines. This strategy has been arrived at thanks to the experience of Coca-Cola which has pointed out the poor availability in the past of soft drinks in the UK.

"Coca-Cola has brought to us their worldwide experience in distribution," says Blakeney. "We have brought to them our national organisation in the UK."

Lisa Wood

### Contracts and Tenders

#### OYO NORTH

AGRICULTURAL DEVELOPMENT PROJECT  
INTERNATIONAL TENDER  
INVITATION FOR BIDS (IFB)  
HEAVY EARTH MOVING EQUIPMENT AND VEHICLES  
Loan Number 1838-UNI

THE FEDERAL GOVERNMENT OF THE REPUBLIC OF NIGERIA has received a loan from the International Bank for Reconstruction and Development (The World Bank) in various currencies towards the cost of the Oyo North Agricultural Development Project (ONADEP) in Oyo State of Nigeria. It is intended that part of this loan will be applied to eligible payments under the contract for the purchase of Heavy Earth Moving Equipment and Vehicles ICB 6 required for the operation of the Project, for which this invitation to bid is issued. ONADEP now invites sealed bids from eligible bidders for the supply of the Equipment, Vehicles and Motor Cycles as specified in the Bid Documents. Interested eligible bidders may obtain further information from and inspect the Bidding Documents at the offices of:

- Oyo North Agricultural Development Project Headquarters  
Aha Road  
Shaki - PO Box 278  
Oyo State of Nigeria
- ONADEP Liaison and Communication Office  
Qr. 804 Agodi Reservation  
Secretariat Road, off Total Garden  
Ibadan - PO Box 7300  
Oyo State of Nigeria  
Telex: 31208 ONADEP NG
- Nimrod International Limited  
124 Mount Street  
Berkeley Square  
London W1V 5HA - UK  
Telephone: 01-629 5301/2/3  
Telex: 25334 NIMROD G

A complete set of Tender Documents may be purchased on submission of a personal or written application from any of the above addresses on payment of Nigerian Naira 950 when purchased within Nigeria or for Pounds Sterling £135 or US Dollars \$225 outside Nigeria.

All Bids require Bid Security Documents to the value of not less than 5 per cent of the total bid in the format defined in the Bidding Documents and valid for not less than 120 days from date of Bid opening.

Sealed Bids, complete with all attachments and documentation, must be submitted to the Oyo State Tender Board as stated in the Bid Document not later than 12 noon (local time) on Monday 17th August 1987. Bid Opening 12.30 pm (local time) prompt. All Bidders are encouraged to attend.

### Company Notice

#### NIPPON WARRANT FUND

Société d'Investissement à Capital Variable  
14, rue Aldringen, Luxembourg  
Registered Office Section B  
No. 24400

#### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of Nippon Warrant Fund, SICAV, will be held at its registered office, 14 rue Aldringen, Luxembourg, on Friday July 3rd, 1987 at 11.30 am with the following agenda:

- To hear and accept the reports of:
  - the directors
  - the statutory auditor
- To approve the statement of net assets and statement of operations as at 31st March 1987
- To discharge the directors and the auditor with respect to their performance of duties during the period ended 31st March, 1987
- To elect the directors to serve until the next Annual General Meeting of Shareholders
- To elect the auditor to serve until the next Annual General Meeting of Shareholders
- Any other business

The Board of Directors

Notes:  
1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not also be a member of the corporation.  
2. To be valid, the proxy must be lodged with the Registered Office of the company not later than 48 hours before the time at which the Meeting is convened.

### REMY FINANCE

B.V. FRF 300,000,000

GUARANTEED

FLOATING RATE

NOTES DUE 1993

For the three months, June 4, 1987 to September 3, 1987, the rate of interest has been fixed at 8 1/2 % P.A.

The interest due on September 4, 1987 against coupon 3 will be FRF 217.22 and has been computed on the actual number of days elapsed (92) divided by 360.

THE PRINCIPAL PAYING AGENT  
SOCIETE GENERALE  
ALSACIENNE DE  
BANQUE

15, Avenue Emile Reuter  
LUXEMBOURG

4% FIRST MORTGAGE DEBENTURE

In pursuance of the payment of the half-yearly interest due August 1, 1987 will be FRF 217.22 and has been computed on the actual number of days elapsed (92) divided by 360.

D. R. KRAST  
Assistant Secretary  
Southville, 105 Victoria Street  
London SW1E 6QT

### Personal

#### HOTEL FOR SALE

300 bed hotel situated in a small beautiful country in sunny Southern France, with tremendous inflow of tourists around the year. The hotel is only 15 years old and appears as brand new. Situated in prime location. PRICE: 4.2m DEM. PROFIT IN EXCESS OF 1m DEM PA NET\*  
Hotel has been run by non-hotel businessmen and has huge potential for professional to increase profit drastically within existing facilities.  
\*Net\* really means net, as this country has no income tax, no corporate tax, no VAT, but Banking is 16 Suisse  
Principals please contact owner himself immediately by phone: DENMARK +45.1.22233 OR TELE: DENMARK 3228 HADSDAN DK

## FT-Actuaries World Indices

A 50-page booklet giving details of the index coverage and selection process, together with technical appendices, can be obtained free of charge by sending a (48p) stamped, addressed A4-size envelope to:

Miss Lorraine Spang

Financial Times

Publicity Department

Bracken House

10 Cannon Street, London EC4A 3BY

## LAST YEAR HE GOT AWAY WITH £29 MILLION. WHAT WILL IT BE NEXT YEAR?

If you're a retailer, you already know that cheque card fraud is a serious business. But did you know how serious?

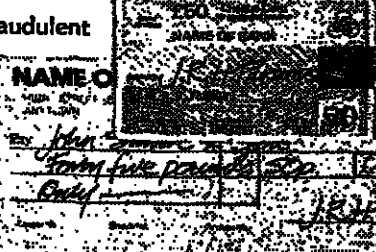
Last year over 700,000 fraudulent transactions added up to £29 million.

That's why the cheque card issuers have funded a major publicity campaign to impress on your sales and check-out staff how vitally important it is to go

through the correct checking procedures. The poster above is just part of it.

But it's going to be wasted in the shop where the management doesn't share our attitude, simply assuming someone else will pay.

£29m is a lot of money. Neither of us can afford to go on losing it. So get your staff to check the cheque card thoroughly.



DON'T LET THE CHEQUE CARD THIEF GET AWAY WITH IT. CHECK EVERY CARD CAREFULLY.

Sponsored by the Cheque Card Committee



## BUSINESS LAW

# Long arm laws: A lesson from the US

By A. A. Hermann, Legal Correspondent

THE vexing practice of US courts to see the world as their playground was last week confirmed by the US Supreme Court. Not without some hesitation: the court was divided 5:4 and even the majority admonished lower courts to take care to give proper consideration to foreign interests when deciding whether evidence situated abroad should be obtained by internationally agreed methods or by direct pressure and sanctions which might require litigants to violate the law of their home country. But it clearly said that such pressure may be applied, although it did not provide lower courts with any useful guidance as to how such weighing of domestic and foreign interests should be conducted.

The Rehnquist Supreme Court appears to be deeply divided in its approach to international conflicts of jurisdiction. This became evident in February when in *Asahi*<sup>1</sup> it split 4:4 (with one abstention) on the question of the applicability of US product liability laws to a foreign manufacturer of components which reach the US market as an integral part of products made in a third country. Four Justices thought that it was enough if the manufacturer knew that the products containing his components would eventually reach the US market, while the other four decided that he would become liable only if he took positive action to bring the products into the US market.

Last week's decision in *Aeropostale*<sup>2</sup> was swung towards the doctrine of universal application of US laws by the vote of Chief Justice Rehnquist and is bound to provoke more friction between the US and its allies. As the FT commented on September 10, 1986, this would make a tightening of the legislation protecting British trading interests inescapable.

The decision may ultimately boomerang, impeding US efforts to restrict the transfer of technological information for economic and military reasons. As Justice Blackman said in a footnote to his dissenting opinion: "It may not serve the country's long-term interests to establish precedents that would

allow foreign courts to compel production of the records of American corporations."

To put it more bluntly: if a Soviet court followed the *Aeropostale* decision and, relying on its rules of civil procedure, ordered a major US corporation to submit unlimited documentation and evidence on the research, development, production and testing of a type of helicopter, one of which had crashed in the Soviet Union causing injury or loss of life, and if this court threatened and proceeded to penalise the US corporation by sequestrating its assets or receivables in the Soviet Union as long as the documents and witnesses did not arrive there, we would have another of those now familiar incidents leading, if not to an intercontinental war, then certainly to the postponement of a meeting between President Reagan and General Secretary Gorbachev.

However, if US courts do the same to the UK, Germany and France, US lawyers representing foreign companies and governments do not dare go further than to ask humbly that the US courts try to balance the foreign interests against those of the plaintiffs—an act as impossible as striking a balance between a ton of metal and a quantity of electrical energy.

I am trying hard not to blush on this pink paper but must admit that the *opinion* carries brief presented to the Supreme Court on behalf of the UK contributed to the unfortunate decision last week. In contrast with the German government in a similar case, the UK accepted the US view that the official channel provided by the Hague convention for obtaining evidence abroad is not exclusive. It merely asked that US courts should moderate their freedom to make discovery orders direct to foreign subjects abroad, with considerations of comity and the "balancing of interests."

The faint-hearted British government lawyers should read carefully the opinion of the four dissenting Justices. It states: "The Court ignores the importance of The Hague convention by relegating it to

an "optional" status, without acknowledging the significant achievement in accommodating divergent interests that the Convention represents. Experience to date indicates that there is a large risk that the case-by-case comity analysis now to be permitted by the Court, will be performed inadequately and that the somewhat unfamiliar procedures of the Convention will be invoked infrequently. The Court's decision means that courts will resort unnecessarily to issuing discovery orders under the Federal Rules of Civil Procedure in a raw exercise of their jurisdictional power to the detriment of the United States national and international interests."

And further: "The majority ignores the policies established by the political branches when they negotiated and ratified the treaty. The result will be a duplicative analysis for which courts are not well designed. Not only is the question of foreign discovery more appropriately considered by the Executive and Congress, but in addition, courts are generally ill equipped to assume the role of balancing the interests of foreign nations with that of our own. Although transnational litigation is increasing, relatively few judges are experienced in the area, and the procedures of foreign legal systems are often poorly understood."

The US government told the Supreme Court recently that the Convention "must be interpreted to preclude an evidence taking proceeding in the territory of a foreign state party if the Convention does not authorise it and the host country does not otherwise permit it."

The dissenting opinion concludes: "In most cases in which a discovery request concerns a

nation that has ratified the Convention there is no need to resort to comity principles; the conflicts they are designed to resolve already have been eliminated by the agreements expressed in the treaty. Many of the considerations that lead to the conclusion that there should be a general presumption favouring use of the Convention (and) should also carry force when courts analyse particular cases. The majority fails to offer guidance in this endeavour, and thus it has missed its opportunity to provide predictable and effective procedures for international litigants in United States courts. It now falls to the lower courts to recognise the needs of the international commercial system and the accommodation of those needs already endorsed by the political branches and embodied in the Convention."

It would be wishful thinking to believe that the lower courts of the US will take this plea of the dissenting opinion to heart. The only way to achieve its highly desirable objective is if other countries insist that whenever US courts do not make use of The Hague convention procedure when seeking evidence abroad, they are not then entitled to commit breaches of international law and that the enforcement of evidence or of the appearance of foreign witnesses outside the US jurisdiction by sanctions and penalties on property within the US jurisdiction is an infringement of judicial sovereignty and a breach of international law.

<sup>1</sup> *Asahi Metal Industry v Superior Court of California*, S.Ct No 85-683, Feb 24 1987, FT Business Law Brief, March 1987, page 21.  
<sup>2</sup> See *Int Aero Postale and Another v US District Ct for the S. District of Iowa*, No 85-1585, June 15 1987, 1 *Am Jur 2d* 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

## WEEKEND FT

For information on advertising on the BOOKS PAGE  
CONTACT SUE MATHIESON on 01-489 0033

This announcement appears as a matter of record only.

## EUROFIMA

European Company for the Financing of Railroad Rolling Stock

Italian Lire 100,000,000,000

10% Bonds Due 1995

ISSUE PRICE 101% OF THE PRINCIPAL AMOUNT

Istituto Bancario San Paolo di Torino

Banca Manusardi & C.  
Crédit Lyonnais  
Deutsche Bank Capital Markets Limited  
Shearson Lehman Brothers International

Banca Nazionale del Lavoro  
Credit Suisse First Boston Limited  
Kreditbank International Group

Banca Commerciale Italiana  
Bank of Tokyo International Limited  
Banque Générale du Luxembourg S.A.  
BHF - BANK  
Credito Italiano  
Generale Bank

Banco di Napoli  
Banque Bruxelles Lambert S.A.  
Banque Paribas Capital Markets Limited  
Caisse des Dépôts et Consignations  
Dahwa Europe Limited  
IBJ International Limited  
Merrill Lynch Capital Markets

Italian International Bank Plc  
(Member of the San Paolo Banking Group)

Swiss Bank Corporation International Limited  
Union Bank of Switzerland (Securities) Limited  
S. G. Warburg Securities

June 9, 1987

# ACHIEVEMENTS THAT SATISFY THE THIRST FOR PROGRESS.

Great projects are planned for the world of tomorrow. Solutions for these are being provided today in the great achievements of Saipem.

Solutions like the aqueduct which carries water across miles of mountains and deserts to bring new life to the land in Saudi Arabia.

A demonstration of the technological experience and skill that are hallmarks of Saipem around the world. Offshore platforms, pipelines, civil engineering undertakings, power and chemical plants - all are projects that bring progress, more jobs and a better quality of life.

That's Saipem: a leader in growth for Italy both at home and abroad.

 **Saipem**  
ENI GROUP

The people, the skill, the equipment.



## TECHNOLOGY

# Europe opts for West German car guidance

John Griffiths reports as major motor manufacturers make a united stand behind common standards and equipment designs

AUTOGUIDE, a pilot project developed and held out by the UK's Transport and Road Research Laboratory and Department of Transport as a potential world leader in computerised route guidance systems for cars and trucks, has already been largely overtaken by developments within the pan-European "Eureka" research programme.

A West German system, using infrared transmitter/receivers mounted on traffic lights and within vehicles, is to be used instead of the UK-developed radio beacon system when demonstrations get under way in the UK and West Germany later this year. In its simplest form the guidance system provides drivers with the information they need for the easiest route to their destination.

The West German equipment, developed mainly by Siemens, is capable of exchanging eight kilobytes (8,000 characters) of information at any given time between vehicle and monitoring equipment. This compares with only one kilobyte for the UK system, according to Mr Malcolm Williams, director of advanced electronics at Rover Group's Gaydon Technology subsidiary and the UK's principal co-ordinator with other European car companies engaged in the Eureka research.

At Autoguide's unveiling late last year, Department of Transport officials stressed its commercial potential for the electronics and other companies which would produce the equipment.

For example, they said, a guidance system for use within London's M25 ring would cost £15m-£20m and would allow its infrastructure equipment makers to recoup their investment through user subscriptions. In-car units would cost about £150, representing £60m in sales for manufacturers

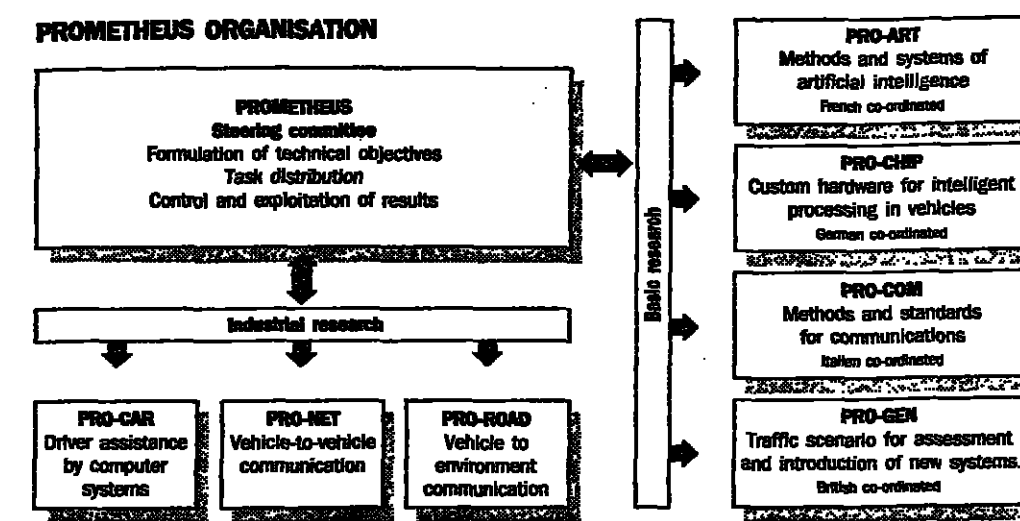
even if only 400,000 drivers bought them. Such sums would be dwarfed, however, if the system were adopted in West European and other markets.

Autoguide's British proponents are not, however, too upset by the adoption of the German equipment for the next trials—in the UK, between Heathrow and Westminster.

For, as long as common standards and equipment—supplied by European producers, of course—eventually emerge none of the participants professes to be particularly worried. The size of the equipment market, assuming a finalised system were good enough, should provide plenty of business for all interested European producers, stresses Mr Williams.

The unified approach is also seen as the best way to reply to the co-ordinated juggernaut of Japanese research and development.

Development of the guidance system itself forms only a small part of the joint research



activities still being mapped out by the vehicle manufacturers, which have their own grouping within Eureka and which, says Mr Williams, should produce the first commercial spin-offs by 1990.

They are grouped within "Prometheus," an acronym potentially holding a hostage to fortune in that the mythological figure showed much initiative in stealing fire from the gods—but wound up chained to a rock as punishment for an eagle. It stands for "programme for a European traffic with highest efficiency and unprecedented safety." It is hoped to halve the nearly 50,000-a-year death rate on Europe's roads by the year 2000.

Spin-offs, among which the guidance system is one, are claimed to be in sight even though Prometheus is only just over half-way through its initial, one-year phase of identifying projects, feasibility studies, and information exchanges. This is due to be followed by a seven-year implementation programme.

Inevitably, as research in any particular area makes progress, it will become competitive. But, says Mr Williams, the thinking is that by the time this point is reached a joint technology or process will have been developed capable of tackling world markets. Its actual exploitation can then be handled competitively by European companies outside the Prometheus framework.

Prometheus itself has a steering committee from 13 European car companies, from which US multinationals General Motors and Ford are excluded. They are: Volkswagen (from which the Prometheus initiative came), Mercedes, BMW, Porsche, Rover Group, Jaguar, Rolls-Royce, Peugeot, Renault, Matra, Fiat, Volvo and Saab.

Last month, there was a watershed meeting—the first formal report back of Prometheus' study groups. "We came away with a good brief to continue, even though a lot of people had doubted whether in-

dividual companies in such a highly competitive industry could collaborate," says Mr Williams.

The overall concept for Prometheus is to create free-flowing traffic. From this would come the knock-on benefits of improved safety and environment; reduced running costs, for example the fuel savings of heavy trucks being guided through urban areas at a pace to catch traffic lights at green; reduced stress for drivers being continuously guided to their intended destination, and elimination of traffic jams.

There are three broad areas to tackle:

● Providing information—a category into which an autoguide system would fall. Automatic news of traffic jams and the computation, and illustration, of safe distances from the vehicle in front provide other examples.

● Physical assistance—for example, anti-lock braking and "active" suspension. Even active steering, in which an on-board computer could tell the front wheels precisely how much opposite lock to put on to escape from a skid is in prospect.

● Intervention—arising, for example, when a system concludes that the driver has made a thorough hash of things and takes over to avoid a crash. One example of this could be automatic application of brakes if distances between vehicles became perilously small.

There is much sensitivity to the potential "Big Brother" aspects of some of these areas and at the moment "we can only research," says Mr Williams.

Underlying much of the research is the belief that if a driver can be helped to anticipate in even half a second less, 80 per cent of current accidents could be avoided.

# Words flood the desktop

BY GEOFFREY CHARLISH

DESKTOP PUBLISHING, on which European business spent a mere £5m on 500 systems in 1985, is set to become a £1bn market in Europe by 1990, when over 140,000 systems are likely to be sold.

These systems, which consist of a high-definition screen, keyboard/graphics tablet, processor, disk storage and a laser printer, seem bound to have a profound effect on publishing. One reason is that they return creation of a product to the pre-Gutenberg era, when control was entirely in the hands of the writer.

With the latest systems, the author can write the text, draw the diagrams, choose typefaces, arrange page layouts and print many copies (within economical limits), without leaving his desk. And system costs need not exceed £10,000.

According to Wharton Information Systems, which has just published a report on desktop publishing in Europe, US-based computer company Apple has about 87 per cent of the market which in 1986 amounted to

£38m (5,000 systems). Apple was first into the market with high-definition screens and good software like Pagemaker. Rank-Xerox, with new systems in 1986, had some 6 per cent of the European market, and Gestetner about 2 per cent. But others are entering the arena and IBM could promote the idea and supply systems at almost any time.

Although desktop publishing workstations can be networked (the vendors predict integration of systems into electronic offices), Wharton has found that nearly 90 per cent of today's sales are of stand-alone units. Of total sales, 56 per cent went to graphics/print professionals, including small printers, in-house print shop users and graphics designers. Print buyers—people like marketing managers, estate agents, and advertising men—made up 24 per cent of sales. Formerly they would have commissioned typesetting from a jobbing printer or perhaps would have settled for a typescript. Education, training and

journalism accounted for the other 20 per cent of systems purchased.

Large-scale publishers of books, magazines, brochures and similar material have yet to take desktop publishing to heart, mainly because of the very high quality demanded, and the long runs, often involving colour, that are involved.

In the main, desktop systems are proving attractive to those who could not previously obtain so conveniently the quality offered. But there are down-to-earth reasons for use of the technology. For example, typesetting in typeset form occupies 25 per cent less space than typescript, and with proper composing, readability and retention go up by 30 per cent.

Wharton believes desktop publishing is bringing traditional printing's composition and presentation "within the grasp of every author."

*The Desk Top Corporate Publishing Revolution*, 270 pp, £8.50, Wharton Information Systems, London. (891 6197.)

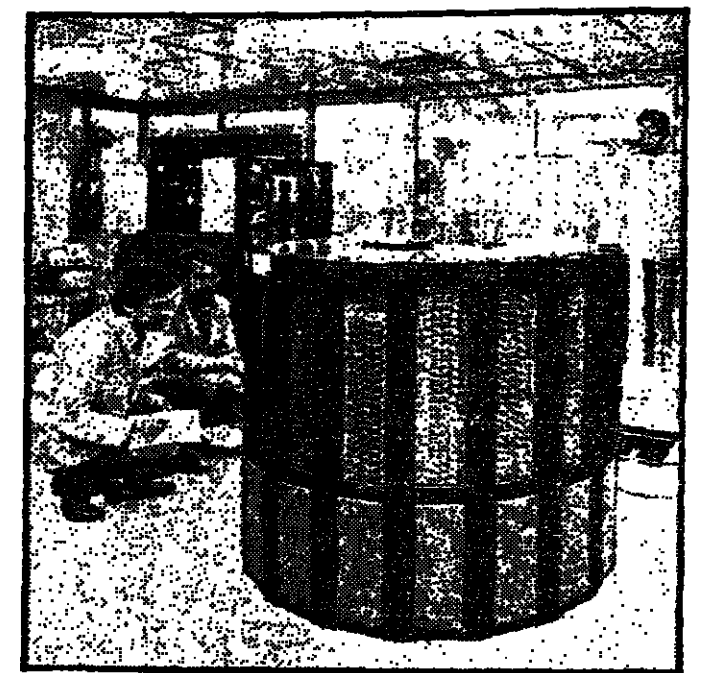
# Big brain that thinks small

BY ALAN CAME

The Cray 1, one of the world's first supercomputers was tiny compared to a conventional mainframe. Its successor, the Cray 2, now the most powerful computer available commercially and shown here installed in the Harwell Laboratory in the UK, makes a minicomputer of 10 years ago look large.

Costing some £13m, the Cray 2 can carry out 1.7m calculations a second. The 240,000 integrated circuits packed into the drum shaped cabinet, only 45 inches high and 53 inches wide, generate 195 kilowatts of heat when the machine is working at full speed—equal to the heat given out by 195 single bar electric fires.

Air or water cooling cannot cope with such heat levels. Instead, the circuits are immersed in liquid fluorocarbon, 200 gallons of it. The fluorocarbon in turn is cooled by chilled water in a heat exchanger.



# Just push the button for a jam-free run to the office

There remain many problems to overcome before a viable automatic guidance system for Europe becomes available to motorists.

Even so, limited introduction in 1990 is being aimed for.

Only about 4 per cent of cars in any one conurbation would need to have the equipment—with the traffic light monitors, linked to a central computer—in order for the system to gauge traffic flows and thus advise drivers of developing

hold-ups and amend previously-given route guidance.

Siemens has a demonstration route which uses just one beacon to guide a car 14 km from its offices to Munich airport.

National phenomena need to be accounted for in devising a system allowing, say, French equipment to log on automatically to a UK system. Roadblocks, for example, are almost unknown on the Continent.

The complexity of information relayed is likely to involve voice communications as

well as displays. So international code transmissions are envisaged that would provide for, say, the receiver of a British car travelling in West Germany to translate the transmission automatically into spoken English, rather than German.

Refinements should be able to include pre-programming a usual daily route. Pressing, for example, a button designated "work" or "office" would produce instant information on whether the usual route was clear, or suggested alternatives.

Announcing a computer for every business involved in a power struggle.

Contrary to popular opinion, most power struggles do not take place in the boardroom. They take place every day on the desk tops of major financial institutions.

The struggle is for computing power, because as more people use a computer for demanding applications, so the speed and quality of business decisions are affected—in changing markets where seconds are vital.

The 6350 superminicomputer from Prime will end that struggle.

Quite simply the most powerful superminicomputer in the world today, it can handle up to 11.8 million instructions per second (MIPS)—the same power as many mainframes at about a quarter of the cost.

That makes it an ideal system for the dealing room, investment analysis and many other key

financial applications.

What's more, if you find you need even more power, you can easily move up to our 6550 dual processing system, doubling the power to as much as 23.6 MIPS.

Both these systems will communicate readily with your existing computer system, giving you the power without the struggle.

Call Prime today on 01-572 7400 Ext 6350.

**Prime**

Primos House, 2-4 Lampton Road, Hounslow, Middlesex TW3 1JW



## THE ARTS

## Basel Art Fair/William Packer

## Flavour of the month

The Basel International Art Fair, was last week celebrated for the 18th time over six hectic days in the city's Schweizer Mustermesse. It remains, along with those in Cologne and Chicago, the principal annual trade festival of modern art. Modern Art is the loosest of categories and may be taken, as here, to embrace anything from impressionism to the latest of contemporary effusions.

Paul Delvaux, whose work was prominent on the stand of the Galerie Isy Brachot of Paris and Brussels, is above all other surrealists the painter of the quietly disturbing dream and gentle erotic vision. Elegant and impassive, his tall ladies rise naked from their baths to walk the streets at midnight, perhaps to catch the train that slips regularly through the shadows of the station.

The critic's dreams on these occasions, however, are hardly to be disturbed by such wistful succubi, for it is the event itself that furnishes the nightmare. Here, filling two vast floors of the Round Court Exhibition Hall, was a warren of stalls to defy Ariadne in which, quite literally at every turn, yet another of the 311 participants, from all over the world, was to be found crying his particular wares.

There were 87 from West Germany alone, 65 from Switzerland, 31 from France and 16 from America, but only eight from Britain which, given how

little British art is known abroad and considering the pride we take in London as a prime market place for art of every kind, can only be taken as a pity and something of a reproach.

Faced by such a mass and weight of stuff, all the poor critic's professional interests and anxieties resolve themselves into the single question: how on earth to see, let alone assimilate it all.

I am happy to leave the painful choices to colleagues whose subjects are the salerooms and market as such. For an art fair presents an aggregate not of what the disinterested critic and curator would necessarily consider to be the more serious or significant of the work current in any particular field, but simply of what professional dealers with a living to earn think they can sell.

Leaving aside any immediate commercial justification, however, art fairs are peculiarly useful to the passing critic. He may not see anything, but he will pick up, by a most curious osmosis, a sense of what the art of the moment is in the everyday world. And where the market leads, so often the world of ideas and criticism will follow.

The message from Basel is that there will be no revolution this year or next, or indeed for some time to come. The newest names have yet to register and, in the fields of both contemporary and modern art, the

safest names are the most successful. The busiest galleries seemed to be those dealing broadly across that full range, mixing the comparatively old and safe with the comfortably new.

Most obvious was the revival of interest in the immediately post-war European schools, the COBRA group especially and the Paris of the 1950s, Karel Appel and Pollock, Pothu-mous heroes were as conspicuous as they were safe: Picasso, Beuys and, everywhere, Andy Warhol as fresh as paint. His travesty of the Last Supper (Galerie Hans Mayer, of Düsseldorf) was a betrayal of his true reputation.

The British galleries all showed a selection of their current artists, with whom Angela Flowers and Nicholas Treadwell were completely occupied, while Bernard Jacobson added examples of earlier modern British, including a magnificent Bomberg still-life. Lisson and Gimpel F&S added international contemporary art, and Christy's Contemporary Art, Piccadilly and Annelly Juda took in modern master prints, symbolist and pre-war German drawings and early European constructivist abstraction, respectively. Good as the British art looked, on home ground, it was even more gratifying to see the few examples that popped up elsewhere to their real advantage—Bridget Riley, Kenneth Martin, Jon Groom, Stephen Buckley.



"La Naissance de Venus" by Paul Delvaux, 1937

The Art Fair may be over, but more than enough art remains in its public and private galleries to lure you to Basel. There are shows of Francesco Clemente watercolours and Joseph Bepko drawings at the Contemporary Art Museum, and watercolours by Basilitz at Galerie Buchmann next door. Galerie Bayerleer has the choicest retrospective of Francis Bacon I have even seen (until September 12), small but of the highest class with particularly fine and quirky as rare examples from the 1940s and 1950s.

The Kunstmuseum has two special exhibitions: *The Light of Holland* (until September 27), Dutch paintings of the 17th century drawn from several collections, notably that of the Prince of Lichtenstein—Rembrandt, Hals, Terborch, Pot, Wouwerman, Steen, van Goyen, the van Ruyssdaels, Hobbema, de Hooch and so many more—to show us something of the peculiarly soft and opalescent light of that wonderful school. And downstairs all the Bocklins that were lately in Japan are shown for once together.

But temporary shows or no show at all, the Kunstmuseum is its own imperative for its magnificent permanent collection: of early modern art, Picasso, Matisse, Leger and the rest; of French 19th century, from Ingres and Corot to Gauguin; of Dutch 17th century again; and, above all, of Hans Holbein, at whom any pilgrim to his home city should be principally directed. "The Dead Christ," life painting as still life, is one of the greatest and most profound of studies of the figure, and the human condition, ever made.

## A Midsummer Night's Dream/Sadler's Wells

Claire Armistead

In his preface to a well-timed picture book about Lindsay Kemp and Company, film director Derek Jarman describes the frisson created by his first contact with their work. It was in the early '70s through *Flowers*, subtitled a pantomime for Jean Genet, which is one of three operas they have brought back to London this month for one of their regular "rare" returns. The observation struck me because it was so close to my own experience: as a restless teenage probably absent from school without leave, *Flowers* appeared apocalyptic and altogether wonderful—the stunning antithesis of sitting in a classroom mugging up exam Shakespeare.

All of which becomes doubly relevant in the context of *A Midsummer Night's Dream*, a production premiered in Rome in 1979 and London four years later, which drags Shakespeare backwards through a kaleidoscope and sets him down travestied or celebrated, depending on whether you love to love, or love to hate, Lindsay Kemp. Very few people, it

seems, are indifferent. In dance narrative terms this bare theatre extravaganza takes the outrageous liberties one would expect from the lord of high camp, using a musical pastiche from Carlos Miranda and lighting by John Spradbery to transport us into the other world monopolised by Kemp's work.

The story as Shakespeare told it is prefaced with the seizure of Hippolyta by Theseus; the enchantment of the lovers becomes an instrument of homo-erotic fantasy (Lysander goes for Demetrius and Hermia pursues Helena, nakedly, stage); while the "changeling boy" who causes the trouble between Oberon and Titania becomes an iconic figure of asexual beauty—the piercing falsetto of Francois Testory issuing from a body as slim and lithe as a reed.

The question is not whether the show is true to the letter of Shakespeare but to its spirit. They key lies in the figure of Puck, played by Kemp himself as a rotund little

body reminiscent of one of those stone putts one might expect to find in an extremely old Florentine garden, suggestively smiling with their wings clipped off.

Kemp is an entirely compelling performer, who manages to mould the dream around himself. And as a sign of Puck's mischievous imagination the interpretation rings true—from the orgiastic coupling of a phallic-horned Bottom with Titania (The Incredible Orlando in voluminous drag), to the rude mechanicals, whose confusion of Pyramus and Thisbe with Romeo and Juliet becomes a burlesque of heterosexual romantic love enacted by a troupe of red-nosed clowns.

These are a sense here of an old dog up to his old tricks (the nudity and flagrant sexuality are certainly not as shocking as they once were) but the vision of the man remains, as does his power to thrill. *Flowers* and *The Big Parade*, a Hollywood retrospective and a mere strip-tease at just three years old, are still to come.



The Incredible Orlando (centre)

Alastair Muir

## Every Good Boy Deserves Favour/Elizabeth Hall

Martin Hoyle

*Every Good Boy Deserves Favour*, the mnemonic for the lined notes in the treble clef, is the Tom Stoppard / André Previn collaboration on music and madness mounted in 1977, the "Prisoner of Conscience" year. After a decade the account of the mistreatment of Soviet dissidents confined in mental hospitals still strikes a chilling note. Otherwise, the arid little fable, commissioned from Stoppard to provide a play that would require an on-stage orchestra, singularly fails to hang together—fairly obviously the work of a not particularly musical writer unable to blend music and drama into a cohesive whole.

Gillian Daniell's design frames the cell with a giant musical triangle. The cellmates are both called Alexander Ivanov: one is a dissident (Peter McNery, strong and withdrawn), the other genuinely

disturbed, haunted by an orchestra that he conducts and abuses, played by Michael Feast giving us one of his feeble obsessions. We glimpse the schoolroom where the dissident's small son is bullied by Sheila Reid's sarcastic teacher, and the doctor's office where the madman briefly takes over after the doctor rushes off to play in an orchestra (a real one).

The only singing comes from the child (the assured Corrin Helliwell). Otherwise a short absurdist fable about real courage is simply interpreted by musical interludes from the band, intermittently visible behind an onstage gauze. Mr Previn's score has moments of accessible lyricism, scurrying spikiness that recalls Prokofiev and ominous sound-track menace.

The evening is completed by the Brecht-Weill *Seven Deadly*

Sins. The Italian cabaret singer Milva, nicknamed "The Panther," prowls, tosses back her flaming mane, shoots quick glances at audience and colleagues when not singing, and at one point advanced vampishly on a black-trousered violinist before realising it was a lady fiddler. Hand on hip, fists clenched on her thighs, caressing her body in the lust episode, leaning on the music stand to emphasise a point to the front row, Milva gives a night-club reading. Eventually the sheer conviction grabs you, but this is a world away from the corrosive blend of treacle and acid in the reptilian charm of Lenya's old recording of the deadpan irony of Julie Corington's hatchet-faced reading for the punchy EINO production. Sardonic detachment is missing. For both works Paul Daniel conducts the orchestra of St John's Smith Square with incisive attack.

## Royal Philharmonic/Festival Hall

Andrew Clements

The point of Tuesday night's Royal Philharmonic concert, and the reason for its inclusion in the orchestra's "Andre Previn Selection" which dominates the South Bank for the next two weeks, was clearly the appearance of Anne-Sophie Mutter in Prokofiev's First Violin Concerto. Miss Mutter did not disappoint (quite the opposite); but the remainder of the evening had a curiously deadened, dutiful air.

One of the leading characteristics of Previn's association with the RPO has been the confident assertion of his talent for the mainstream symphonic repertoire, something which tended to be played down in his more glamour-conscious LSO days. While the later

romantics have been convincingly tackled, Beethoven, on current evidence, continues to elude him. The *Coriolan* Overture with which Previn began here was inert, under-articulated; the ensemble (from an orchestra currently in excellent fettle) blurred at the extremities.

In the Seventh Symphony reasons for such comprehensive dissatisfaction were harder to define though equally real. Some portions were obviously lustreless—the first-movement introduction bereft of mystery, the Allegretto stolid and culminating in a fugato of negligible tension—but the faster music was driven at a respectable pace, clearly rendered by the RPO, to give at least a simulation of involvement. What was

altogether lacking, however, was an envelope of dynamic tension, a sense that the music was being directed towards a genuine catharsis.

Yet to accompany the concert Previn and the RPO had conjured playing of enviable dynamic range, refinement and rhythmic grip. Coughing spott both ends of the Andantino: the tiny thread of sound, perfectly focused, with which Mutter nudged the concerto into motion was lost. Thereafter the playing of both partners gained in authority: a magical reprise until the coughs intervened, fierce, physical scherzo and lazily sensuous finale, in which the soloist's tone, never overwhelmingly large, assumed dominance by its sheer purity and poise.

## Melon/Haymarket

Michael Coveney

Simon Gray and Alan Bates are growing old not all that gracefully together. After *Butley* and *Otherwise Engaged*, the liaison moves into total breakdown territory, with a quintessential Gray hero—something in publishing, a managing editor to be precise—undergoing emotional trauma in the flashbaked security of a psychiatric ward.

Mr Gray has acknowledged the source material of Stuart Sutherland's book *Breakdown*, which charts nervous disintegration of a man who discovers his wife is having an affair with a close friend. The stage model that comes to mind is Harold Pinter's *Betrayal* and by far the best scenes of a markedly uneven piece are those in which Mark Melon, publisher, indulges his jealous obsession within the liberal confines of his open marriage.

Gray's lilting, easy prose style has a relishing effect on Melon's interest in the ostensible of sexual encounters between his wife and her lover. And Bates, on the begetter and unchallenged champion of the acting school of ear-tugging menopausal crisis, wraps his delectated vocal chords around such verbal curlicues to fascinating effect.

The piece becomes embarrassing when Christopher Morahan's humpen production comes over sort of, well, theatrical, employing sung harmonies among the actors to invoke social peacefulness that was always an illusion anyway. The events occurred on Tuesday evenings, an habitual soirée date that embraced the hang-dog, corduroy-suited office sweat. Melon's opaque and badly written adolescent son, a TV arts interviewer who screws anyone female and worth talking to, and a gay Jewish neighbour, psychiatrist whose prime dramatic function seems to be providing Melon with chance to afford such barbarous witticisms as "Gays put the part of the body I most admire

into the part of the body I least respect."

Such cruel gulps are fair enough round a dinner table, and not bad on the printed page, but pulsating new theatre they do not make. In spite of all of Alan Bates's attentions, Melon's wife's haughty wavering between the Liberals and the SDP—which gained a laugh much different, I imagine, to that garnered on the pre-Election tour. The play becomes riveting only when, spasmodically, the mode of marital interrogation is conducted as a form of sexual foreplay.

Liz de Costa's design suggests an institutional hideaway—hints here of Pinter's *Home* to boot—invaded by remembered domesticity, but the overall picture is ungainly, the screams awfully deployed. We see Melon at work withstanding the pushy interventions of his incipiently senile overlord (William Squire) and the hunchbacked ministrations of an editor (Glyn Grain) who has settled for wielding the blue pencil at the expense of creative ambition and who achieves physical erection (sic) only when he has occupied the managing editor's chair.

The dastardly TV personality is played with an all too predictable leer by Tim Hardy and it is a measure of the comparative failure of the play as an engaging narrative that you never really care about who has done what to whom and why, let alone when.

Carole Nimmons offers sterling if uninspired support as the wife who wishes to see her husband in each organic transgression. The evening is salvaged by an unforgettable performance by Bates, whose bulky, sullen brand of ageing innocence and tart ineffectiveness convinces you that here is an actor totally at home in his crumpled suit and a convoluted, painstaking manner of registering odious disapproval at the ways of the modern world.



Alan Bates

Alastair Muir

## DEC Dance Awards announced

As part of a continuing involvement with dance in Britain, Digital Equipment Company has announced the first DEC Awards for new choreography.

The awards, which represent £40,000 from DEC's £9.5m "Partners in Dance" arts sponsorship funding, have been devoted to contemporary and post-modern creativity, and will allow Ballet Rambert to mount a work by Merce Cunningham, and Contemporary Dance Theatre to acquire a piece by Rosalind Newman.

Among ten more commissions chosen from a wide range of companies, Scottish Ballet

Clement Crisp

## Saleroom/Antony Thorncroft

## Paintings come unstuck

Sotheby's had one of its more depressing experiences on Tuesday evening when its major sale of 19th century European paintings and sculptures came unstuck, with a total of £1,964,380 but 44 per cent unsold. The biggest disappointment was the failure of "The Hunt" by the French artist Horace Vernet, to find a buyer. It is a vigorous Arabic scene, just the kind of painting that would have fetched a hefty price when the oil price was higher, but it went unsold at £285,000.

Another surprise failure was a portrait by John Singer Sargent of Mrs Harold Wilson (an 1897 version) which was bought in at £220,000. Sargent has topped one million dollars in the US, but perhaps because the clothing is on the dark side this work was unwanted. The third major lot to remain unsold was "Boys on a beach" by Max Liebermann, which had been exhibited at the famous "Degenerate Art" exhibition in Munich in 1937. It was bought in at £150,000. There were successes. Artemis, the London dealer, paid £350,000 for "The seamstresses" by Millet, while a tiny Corot landscape, more than doubled its estimate at £104,500. Sporting pictures still have some fans, with a John Frederick Herring Sr on target at £93,500.

The best feature of the auction was demand for sculptures. A 145 cm high marble by Richard Wyatt depicting a nymph of Diana taking a thorn from a greyhound's foot, which had been discovered moss hidden in a Welsh garden, beat its estimate of £44,000. The sale continued yesterday with "Ducks on a pond in summer" by the German artist Alexander Roeder almost doubling its estimate at £83,800 and "The orange seller" by the Norwegian painter Christian Skredsvig also doing well, at £37,400.

The highlight at Christie's was a collection of John Tenniel's original working drawings for his illustrations to Lewis Carroll's "Through the Looking Glass," probably the only group in private hands. It sold for £148,500 to an American collector.

Christie's sold jewels belonging among others, to King Léka of Albania, Lord Bolton and Susannah York. A diamond and sapphire necklace owned by the King made £17,600; Lord Bolton's emerald and diamond pendant realised £52,200; and among Miss York's jewels, a brilliant cut diamond fourteen stone necklace fetched £4,180. Top price in the auction was the £187,000 paid for an antique emerald and diamond pendant.

## Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

## Exhibitions

**PARIS**  
Berthe Morisot: More than 40 oils, pastels, watercolours, crayons and sculptures trace the development of the woman painter who, influenced at first by Corot, became a friend of the impressionists and took part in their first exhibition. Galerie Waring Hopkins, Alain Thomas, 2 rue Mironneville (426 55105). Opened all days except Sundays and lunchtime. Ends June 27.

**ITALY**  
Venice: Ala Napoleonica and Museo Correr: "Matisse and Italy": over 250 works by one of most poetic of 20th century French Painters. The exhibition includes paintings, drawings, and Matisse's entire output of sculpture (75 pieces in all), lent by private and public collections in France and America, and the Musée Matisse in Nice. Pierre Schneider, the organizer, has attempted to show how the works of Italian painters such as Mantegna, Pollaiuolo, Giorgione and Veronese may have influenced Matisse. Until October 18.

**LONDON**  
Burlington House, Piccadilly: The Summer Exhibition of the Royal Academy has come round again, for the 219th time. Over 1,300 works have been chosen, nearly 300 fewer than last year, from an open submission of over 13,000—paintings in all media, prints, drawings, sculpture and architectural design. For all its variety and quirkiness, the exhibition is strongly professional; the amateur work which once made it notorious has been more rigorously ex-

cluded in recent years and is now all but gone. With their privileged entry of six works apiece, the Academicians and Associates set the standard and the tone. With so big a show as this the visitor must follow his own taste and judgment and work quite hard to see everything properly, but such involvement brings its own rewards, from the work of Elizabeth Blackadder, Olwyn Bowoy or Gus Cummins to that of Gillian Ayres, Joe Tilson or John Bellamy. (Daily until August 23).

**SPAIN**  
Madrid, masterpieces of the Duchess of Alba collection, Spain's best private collection, seen, a thorough view of Spain's history enriched within centuries by family legacies from the 10th century to the 20th. Sculptures, engravings and paintings include Titian, Rubens, Ribera, Rembrandt, Mengo, Goya, Rep. Retiura. Centro Cultural La Caixa, Serrano 61. Ends Jun 30.

**Mexico**  
Mexico, Fernando Botero. Colombian painter whose imaginative world is a poetic distortion of reality. 100 works on loan by private collectors, museums and artist's funds, Centro de Arte Reina Sofia, Santa Isabel 82. Ends Sept 6.

**NEW YORK**  
Museum of Modern Art, Bestinart 1981-87: An international assortment of 55 artists who worked in Berlin over the past 25 years includes David Hockney, Malcolm Morley and Georg Baselitz. Ends Sept 6.

**Guggenheim**  
The first retrospective

of Joan Miro since his death in 1983 includes more than 190 pieces, including paintings, objects, collages, ceramics and works on paper that explore the artist's experimental media, methods and primitive inspirations. Ends Aug 23.

**CHICAGO**  
Art Institute: The 1985 Grand Palais exhibit of Larigue's 1920s photographs shows the evocative panoramas and fleeting moments on the streets of Paris between the wars. Ends June 21.

**WASHINGTON**  
National Gallery: 61 Italian master drawings by Leonardo, Michelangelo and Raphael among others travel for the first time from the Royal Collection in Windsor for this exhibit. Ends July 28.

**TOKYO**  
Kandinsky: 100 works on loan from collections at museums in Munich, Paris, Moscow and New York. National Museum of Modern Art, Kikonomaru, near Takahashi Station. Ends Aug 8. Closed Mondays.

**Rediff from Java**  
This superb exhibition of this textile art includes many examples of traditional work rarely seen outside Indonesia. Santury Museum of Art (with splendid views over the city) near Akasaka-mitsuke subway station. Ends June 28.



IRI GROUP

Registered office in Turin - Head office in Rome  
Fully paid share capital 3,680,000,000,000  
Registered with the Turin Tribunal under n. 298/33 in the Register of Companies.

## PAYMENT OF DIVIDEND ON STET SHARES FOR THE FINANCIAL YEAR 1986

As resolved by the Shareholders' General Meeting held on the 16th of June 1987 the dividend for the financial year 1986 will be paid from the 18th of June 1987 in the gross unit amount of Lit. 220 for savings shares (against detachment of coupon n. 8), and of Lit. 180 and Lit. 45 for ordinary shares qualified for dividend respectively from the 1st of January 1986 and the 1st of October 1986 (against detachment of coupon n. 7). The dividend will be payable.

## In Italy:

— (for Italian residents only); at the Company's treasury in Turin; Via Bertola 2 or in Rome, Corso d'Italia 41;  
— at any other duly authorized department, as well as through Monte Titoli S.p.A., for the share managed by it;

## abroad:

— London: Banca Commerciale Italiana - 42, Gresham Street  
Banca di Roma - 14/15, Eastcheap  
Credito Italiano - 17, Moorgate  
— New York: Banca Commerciale Italiana - One William Street  
Banca di Roma - 100, Wall Street  
Credito Italiano - 375, Park Avenue  
— Paris: Banca Nazionale del Lavoro - 26, Avenue des Champs Elysées  
— Frankfurt am Main: Istituto Bancario S. Paolo di Torino - Schillerstrasse, 26



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY  
Telegrams: Finantimo, London PS4. Telex: 8854871  
Telephone: 01-248 8000

Thursday June 25 1987

## Trench war in Brussels

THE EUROPEAN Community has become so accustomed to the spectacle of ministerial meetings which reach no decision that the prospect of another sterile encounter has almost ceased to shock; yet seldom have expectations been so low, or the auguries so depressing, as for the European Summit meeting which takes place in Brussels on Monday and Tuesday. Not merely is there little expectation that the heads of government will take constructive decisions; there seems to be little agreement on what the agenda should be.

It is not that the on-going work of the community institutions is lacking either major problems which need to be tackled at the highest level, or substantial policy which might help to focus the deliberations of the governments; on the contrary, both are abundant. The main thing lacking appears to be the political will of the member states to reach any compromises on anything.

The excesses of the farm policy need reforming more urgently than ever, yet are deadlocked in the Farm Council. The community budget, so recently expanded, is already more profoundly bankrupt than ever. Large budget deficits are the excesses of the farm policy. The community has embarked on an ambitious programme to create a fully liberalised internal market by 1992; but this programme is falling significantly behind schedule because of the slowness of decision-making in the Council of Ministers, and the member states are failing to grasp one of the chief corollaries of a unified market, which is a significant strengthening of the European Monetary System.

## Stumbling block

The commission has argued for a substantial increase in the financial resources provided to the community by the member states, partly to escape from incessant budgetary crises, partly because it believes that opening up the internal market will call for a doubling of the community's regional and social funds over five years. The second half of this argument is backed by the Padoa-Schioppa report, which claims that opening the market will impose inequitable stresses on peripheral and weaker states and regions; more important in political terms, the peripheral states may not agree to market liberalisation unless they get increased regional and social transfers from the community.

The central stumbling block, now as for many years past, is the absurd and uncontrolled ex-

travagance of the agricultural policy. Despite all the recent efforts of the commission to press the case for reform, it has continued to suck up a wholly disproportionate share of the budget, regardless of the recent increase in resources, partly because the member states (led by West Germany) resist reform, but mainly because the policy was from the beginning constructed in such a way that costs are virtually uncontrollable.

Without a radical change in the basic structure of the farm policy, its tendency to absorb ever larger amounts of money would be likely to continue; it was disingenuous of the commission to call for generous new budgetary funding agreements, as if the control of farm spending could be taken for granted. On this occasion the British Government is right to take a narrowly negative view of budgetary funding; if the farm policy were radically reformed with much lower prices, and the income support costs born by member-states, there would be room for increased structural transfers within the existing budgetary ceiling.

## Marginal interests

It is easy to see why the community's vested interests should resist change, and why the negotiation of change should be particularly difficult in a community of 12 disparate members. It is even possible to understand why the West German Government has a mutually contradictory policy of resisting farm reform but demanding tight budgetary discipline. It is much less easy to understand why member states go on waging endless trench warfare over marginal vested interests which are insignificant compared with the major political and economic challenges facing the community from outside. The possibility of a radical shift in the politico-security status of Europe, between the US and the Soviet Union, and the worrying prospect of a downturn in the world economy, as highlighted in the recent SIS report.

More than ever, these external challenges call for the closest possible policy convergence; yet the member states risk making the community seem blinkered, irrelevant and incapable of responding to the most urgent challenges. The recent upsurge in the moralistic wing of the community is undermined when the member states stumble over the most banal ingredients in their so-called common market.

## James Buxton reports on the devolution debate in Scotland

"WHEN everything you want is crushed by a totally different political approach in other parts of the country," says Mr Donald Dewar, Labour's Shadow Scottish Secretary, "the way out of the dilemma is the creation of a Scottish Assembly."

Eight years after a Labour Party plan to give Scotland an assembly failed to receive sufficient support in a referendum, devolution is back on the agenda. The creation of an assembly would be the list of demands which the Scottish Labour Party is putting to the Government. And, in the last few days, a small number of Scottish Conservative devolutionists have openly urged the party to change its position on restoring its battered position north of the border.

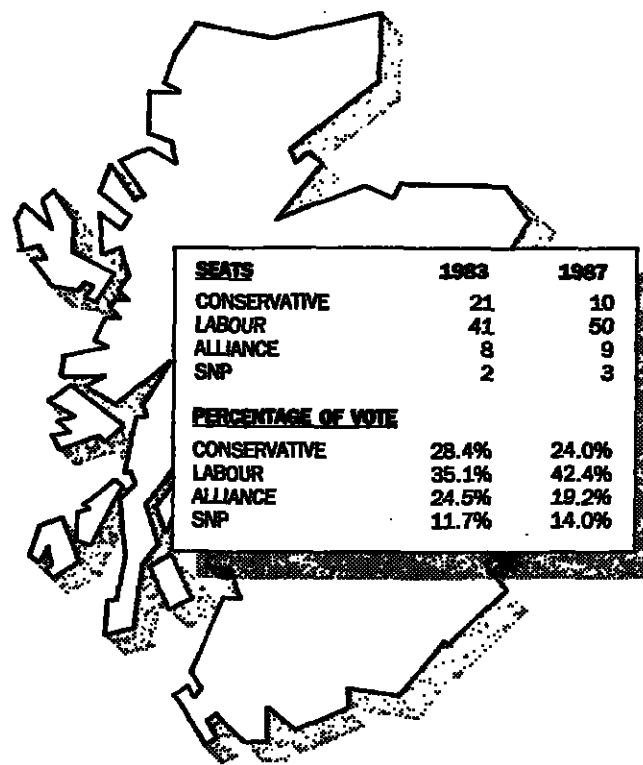
The general election was a disaster for the Conservatives in Scotland. An anti-Tory swing, complemented by tactical voting, cost them 11 seats. This left them with just 10 of the 72 Scottish seats in the House of Commons—even though their share of the vote fell by only 4 percentage points to 24 per cent. By contrast, Labour took 42 per cent and gained nine seats to total 50 Scottish MPs.

It was a devastating rejection of Conservative policies, of Thatcherism and of its leader—always seen as a particularly unsympathetic English figure in Scotland. Mr Bill Miller, Professor of politics at Glasgow University, attributes it principally to the Conservatives' failure to provide full employment and their opposition to any form of Scottish assembly. "The Scots see the Tories as an alien force that inflicts things on Scotland," he says, "an example the community charge, the flat-rate poll tax that is to replace rates in Scotland from 1989 and which failed to attract voters even in the more affluent parts of the country."

So is there to be a confrontation over the Scottish assembly issue between an intransigent government and a confident Labour Party? Or could Scotland's desire to escape Thatcherism and the Conservatives' wish to regain popularity converge, causing the Government to give Scotland a degree of devolution?

Labour's manifesto proposed a Scottish assembly that would exercise direct democratic control over the powers which Westminster has devolved to the Scottish Office, including control of such things as education, local government and health, as well as the Scottish Development Agency (SDA). The assembly would have the power to levy taxes (unlike the assembly for which Labour legislated in 1978) and would be elected under the first past the post system. Labour would draw far more benefit from staying with this system than if proportional representation were introduced. There would be a Scottish executive which reported to the assembly, but the Secretary of State for Scotland would keep his post in the Cabinet.

The Scottish TUC believes that such an assembly—which would involve a constitutional upheaval—would enable the region to pursue a very different economic policy to that of the Government. Even those who think that important economic



## Passions stir again

decisions affecting Scotland would still be taken in London believe that an assembly could have a "therapeutic" effect. As one member of the Scottish business establishment says: "People would feel better if their problems were being discussed by an assembly in Edinburgh." And three of the four parties in the general election—the Alliance and the Scottish National Party as well as Labour—offered some form of home rule. Between them they won 76 per cent of the Scottish vote.

Yet Mr Malcolm Rifkind, the 40-year-old Secretary of State for Scotland, says he has "not the slightest intention" of taking the election result to mean that the Government should implement Labour Party policies in Scotland. The Conservative Party, he says, is studying what went wrong and he insists that there will be "no no-go areas" in that process. But he is sceptical as to whether the Scots really want an assembly.

Devolution was not a major talking point in the election. The opinion polls present a paradoxical picture: last month 70 per cent of Scots said they wanted an assembly of some kind, including 29 per cent who were in favour of something close to independence. But only 4 per cent of those asked listed devolution among their

top two priorities. Any drive for an assembly could risk a repeat of the 1979 fiasco—in the referendum roughly one third of the assembly voted for an assembly, one third against and one third did not vote at all. Though there was a tiny majority in favour of devolution, those wanting it did not amount to 40 per cent of the electorate—the hurdle set by the Labour Government.

"Devolution can be presented as a constitutional abstraction and as such it is likely to come behind jobs and health on anyone's checklist," says Mr Dewar. "But if you ask people do you want a greater say in your own affairs it becomes different." Along with the Scottish TUC, Labour is planning a campaign to mobilise public opinion behind the assembly idea. He is under no illusions about the difficulty of the campaign in Parliament. "There are no grounds for optimism at the moment, but the Tories will have to look at it very carefully. Tory anxiety could be a good basis for reform," he says.

Yet devolution could have its pitfalls for Labour. The size of Scotland's representation at Westminster would come into question. Mr Rifkind says: "The idea that you can have full home rule on domestic issues in Scotland and continue Scotland's over-represen-

tation in the House of Commons is a constitutional nonsense." There are reckoned to be about 12 to 15 more Scottish MPs than are justified by applying the national average of constituents per MP. Mr Neil Kinnock, Labour Party leader, would presumably be reluctant to see a fall in the number of his troops at Westminster. And Mr Dewar says the full quota of MPs would be needed to represent Scotland in the House of Commons on issues that were not devolved, such as defence.

Labour, in any case, can merely struggle for an assembly, only the Conservatives can grant one. It seems unlikely that a staunchly unionist party, led by Mrs Thatcher, would want to embark on even a modest version of the constitutional changes being mooted. The Labour Government spent nearly two parliamentary sessions on devolution in the late 1970s and achieved nothing.

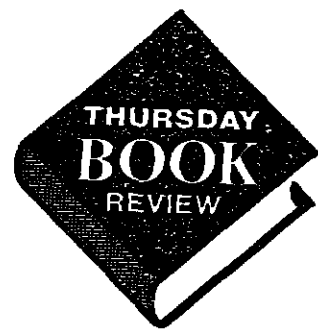
Furthermore, not everyone takes a cataclysmic view of the Conservative Party's predicament in Scotland. "Nothing has changed," says Mr Chris Allen, of the department of politics at Edinburgh University. The Conservatives have governed Scotland with only a minority of the region's seats since 1979. At first, he points out, they were extremely cautious and made concessions to both Labour and their own devolutionists. "Then, after about a year, they discovered that there was no Scottish resistance, and they began doing exactly what they wanted—taking on the Labour local authorities, for example. Labour was completely ineffectual."

This time the Tories are likely to be more conciliatory. They may be more generous with funds for councils, boost the budget of the SDA and set up a Scottish Development National Economic Development Office, while pressing ahead with what Mr Allen calls "electoral engineering"—such as council house sales.

Mr Rifkind this week told the local authorities the Government was determined to implement the community charge. Some Tories believe it could become an electoral asset if Labour councils continue to push up rates.

But Labour is determined that no one should call it ineffectual this time. Some of the new intake of Scottish MPs, such as Mr George Galloway, who also runs War on Want, and the journalist Mr Brian Wilson, may be less docile than some of their predecessors. They have already been called to account for a much more strident approach than Mr Dewar is offering from leftwingers Mr Dennis Canavan and Mr Ron Brown. But so far there is no sign of the public anger that has been detected to support extra-parliamentary activity or civil disobedience, as some members of the far left have suggested.

If the 50 Scottish MPs only succeed in harrasing the Government without winning any real change, devolution and the abolition of the community charge, they will be prey to the accusation which the Scottish National Party voiced throughout the election—that Labour is no defence against Tory rule in Scotland.



## A view of the room

By Ian Hay Davison  
Weidenfeld and Nicolson: £14.95

LLOYD'S of London has always relied too much on great men. Consider the following.

Thirty years ago, when D. E. W. Gibb wrote the standard history of Lloyd's, he subtitled it *A Study of Individualism*. It was a tale woven around personalities.

There were men like Colonel Sir Henry Hoar, who built up the Lloyd's marine intelligence system, and challenged the Postmaster-General to a duel in 1906. Then came Cuthbert Heath, who in the late 19th century steered Lloyd's away from its exclusive concentration on insuring ships.

It made for a vivid reading. When its great men turned out to have feet of clay.

Gibb, it turns out, had hit on a historic weakness of Lloyd's: its over-reliance on a few decisive and colourful figures, as the agents both of institutional reform and commercial innovation.

This had damaging results in the 1970s, especially when there were no great men in sight. It helped foster a tendency to dispense with proper rules and regulations, in favour of personal, informal ways of doing business, or punishing miscreants.

There was also undue reverence for powerful figures in the Lloyd's establishment, which inhibited debate and stifled change.

In day-to-day trading in Lime Street, a few powerful characters—like Mr Peter Cameron Webb, the market's leading fraudster—came to occupy a prominent role. The culture was, essentially, anti-intellectual, which precluded informed public debate about fundamental economic and commercial issues.

Now we have an account of Lloyd's, less entertaining than Gibb's and written by Mr Ian Hay Davison, who resigned as the market's chief executive in 1985.

On one level, the book is an acute diagnosis of the institutional weaknesses which allowed fraud to flourish in some parts of the market. On another, the book reveals how Mr Davison was himself trapped by the Lloyd's system.

The author—who sub-titles his account, *Lloyd's, change and disclosure*—is in no doubt

where Lloyd's went wrong in the 1970s. It neglected basic standards of disclosure, so that its members received only sketchy information about the way the market's underwriting agents were doing business on their behalf.

Lloyd's had evaded independent scrutiny, whether in Whitehall or Fleet Street. Many people had joined the market for real or imagined tax advantages. With no understanding of insurance, they were easy targets for men like Cameron Webb.

Hence the need for what Mr Davison sees as his main reforms, of which the most important was the 1984 Syndicates Accounting Bylaw. This forced Lloyd's syndicates to publish the kind of properly audited accounts required of companies.

Then, in January this year there was Sir Patrick Neill's report recommending that Lloyd's change the constitution of its ruling Council to end its domination by the market's own professional insurance people. Mr Davison's main purpose in this book appears to be to endorse Neill's conclusions. He argues that a new constitution was essential if the Lloyd's Council was not to prove an institutional block against further reforms. Failure to make this change was one reason Mr Davison resigned from Lloyd's. Nevertheless, there are a series of questions which neither the Neill report, nor Mr Davison, has addressed fully.

Under Mr Davison, for instance, very little real progress was made towards the goal of a sensible, wide strategy for using information technology to improve the business efficiency of Lloyd's.

Neither was there any conspicuous attempt to ask searching questions about the commercial future of Lloyd's, at a time when its old core business of marine and aviation insurance showed few prospects of growth and many of its ventures into non-marine insurance, especially in the US, had been unsuccessful.

This was not Mr Davison's fault. At Lloyd's, he was limited by the specific role which the Bank of England had set out for him, as the accountant charged with guiding the mandarins of Lime Street through long-overdue regulatory reforms.

But—as the smoke starts to clear around the Neill report—Lloyd's and the outside world should, perhaps, be focusing more on the commercial than the regulatory issues surrounding the future of Lloyd's. There are certainly few signs that the Lloyd's powers that be are actively trying to aid this process.

This spring, for instance, the Government proposed a far-reaching change in the tax treatment of Lloyd's, which is soon to be debated in parliament. Yet so far, the only informed public discussion of the issue has been generated by the press, or by a handful of relatively prominent Lloyd's underwriting agencies. It is still the same small group of powerful personalities at work.

What Lloyd's needs to do now is to stimulate in public the kind of open and democratic intellectual discussion of the key issues facing its own business—insurance—which is now routine in the rest of the financial services industry.

Nick Bunker

## The SDP, large or small

BRITAIN'S Social Democratic-Liberal Party Alliance is behaving as if the general election campaign is still going on. Instead of fighting Labour and the Tories, the partners have switched to attacking each other in a battle that could outlast the summer. They might try pausing for thought.

There are two fundamental questions that the Social Democratic wing of the Alliance has to face. The first is whether there is something sufficiently distinctive as to make the alliance a separate political party under that banner. The second is whether, if there is, the party has any realistic chance of making a footprint rather than a fingermark on the British political scene. The system, after all, is stacked against small parties and likely to remain so.

## Safety net

In other words, the debate is about whether social democracy should have small or capital letters. With capitals it is a small letters. With small letters it is a political philosophy, perhaps best defined as the market economy with a safety net, to be found in varying degrees in all the other main groupings: Labour, Tory and Liberal.

The questions are not easy to answer; nor is it imperative that they need to be answered this week, next month or even next autumn.

For one thing, the circumstances in which they are addressed change with time. The Labour Party which Dr David Owen and some of his colleagues left in 1981 to form the SDP is not the same as the Labour Party today. It did not do well in the general election, but at least it arrested its decline. Whether it will look more social democratic or less after its autumn conference, nobody yet knows.

It is arguable that the Con-

servatives have changed as well. Mrs Thatcher's first statement after the election result was that there was work to be done, especially in the inner cities. She may have picked up the social democratic message.

As for the Liberals, they are as much of a coalition as either of the two big parties. Sometimes we see the acceptable face of Mr David Steel; at others it is the moralistic wing of the campaign for nuclear disarmament, the no-growthers and the people who would rely for energy supplies on the powers of the waves and the sun. They are not a party with whom Dr Owen could easily throw in his entire lot.

## Reasoned approaches

Personalities also matter. Even if Mr Kinnock embraced social democracy overnight, it is hard to see Dr Owen rejoining the Labour Party. It is equally hard to see him accepting a place in Mrs Thatcher's Cabinet, even if she endorsed the concept of the safety net. The fact remains that the Social Democrats have been reduced to only five MPs. The Liberals are the stronger partner, both in parliament and in terms of organisation in the country. It is difficult to resist a takeover bid—for that is what the Liberal talk of a merger amounts to—when fortunes are low.

Four of those MPs (not Dr Owen) appeared on a platform yesterday calling for a referendum of party members on whether a merger should take place. It is difficult to see clearly that it should not.

It looks like a democratic approach. In fact, it would be a mistake at this stage. The plan is that it would be completed by August. It is likely that it will come to a vote on whether the party and the Alliance still further. There will be plenty of time to talk about more reasoned approaches when the summer is over. Dr Owen should say so.

## Peering ahead

With an unusually large batch of more than 80 MPs having retired from the Commons at the general election, there is much jostling for inclusion in Mrs Thatcher's dissolution honours list.

One who seems to have jumped to the front of the queue is Geoffrey Rippon, one-time Cabinet minister and Lord of the Association of District Councils, heard several delegates to the annual meeting in Cardiff yesterday refer to his move to the Lords next month as a matter of fact. One delegate even called him the Lord President of the Association.

The rotund Rippon, with suitable modesty, described how he had grown old and grey in the service of the government. Inwardly he must have been hoping that Mrs Thatcher, in whose hands the list rests, does not take umbrage at the delegates' premature congratulations.

## In the act

Ireland came in from the diplomatic cold yesterday during a quiet little ceremony in the private offices in Rome of Giulio Andreotti, the Italian foreign minister.

Having secured a 70 per cent majority in the recent referendum in favour of Ireland's ratification of the stiffly-titled Single European Act, Brian Lenihan, Dublin's deputy minister and foreign minister, formally deposited the equally starchy "Instrument of Ratification" with the Italian government—the guardian of all European Community treaties.

Sitting opposite each other across a green-baize table in Andreotti's tiny salon, the two ministers acknowledged that the last obstacle to the introduction—six months behind schedule—of the Single Act on July 1 had now been removed. With this promise of a further development of the Community's policies and decision-

## Men and Matters

making process, all was as much sweetness and light as could be expected at 8.30 in the morning.

Lenihan acquitted himself well for a man who improves the day grows long. Andreotti, by contrast, likes to be in his stride while the lark is still rubbing sleep out of its eyes. The encounter was already his third appointment of the day.

## High hopes

A Sydney property company and a local architectural firm want to build one of the world's tallest skyscrapers near the famous Harbour Bridge in the city's central business district.

The building would dwarf the Centrepoint telecommunications tower, currently the highest structure in the city, and would rise well above the 93-storey Skytower proposed last month by the Perth businessman, Alan Bond.

Although the height of the new building has not been fixed, it is likely to soar 110 storeys to around 440 metres, about the same as the Sears Tower in Chicago, the world's tallest building.

Instead of a central concrete core, the building is expected to incorporate external steel frame technology of the sort developed for use in offshore oil rigs. Probable completion date would be 1992.

Discussions have been proceeding for a year, but approval from local authorities, its proponents, developer Penman Properties and architects Stephenson Turner, will brief the New South Wales state government next month.

The building will provide 140,000 square metres of office space. The developers also wish to include a 500-room hotel in the precinct.



"Will this postal ballot give us a first past the post decision and the post all?"

The site itself is owned by the state government and controlled by the Sydney Cove Redevelopment Authority. It is currently occupied by a school, convent and other buildings, with St Patrick's Church and Davis Cottage nearby.

As the latter are historically important to the church, the developers propose to restore the buildings and place them in a landscaped garden setting.

## No answer

Telephone answering machines are big business. Sales in the US alone this year are expected to total \$367m.

But there is more to them than mere money. Sociologists in North America are already arguing whether the interception of a machine into person-to-person relationships is a good thing or not.

Some users claim the machines protect them from time-wasters; others say that they get depressed if no messages are left for them.

Police in some areas believe that burglars find the machines a useful indication of whether a house is empty.

There is widespread agreement, however, that the most difficult thing about the machines is actually talking to them. So it should be no surprise to learn that the latest gimmick in the US and Canada is to give users more personality with a special tape.

For around \$13, you can have a Humphrey Bogart sound-alike answering your callers with a new version of his lines from *Casablanca*. "Of all the answering machines in all the states in all the towns in all of the world you had to call this one..."

Humorous hellos in the style of Groucho Marx and Bob Dylan are apparently popular as well.

Those who really have no wish to talk to their callers on the other hand, can make their machines sound even more unfriendly with a greeting from Count Dracula, or a snarling dog.

## Home service

British Rail is certainly getting there. A colleague reports that one night this week, as the sun was sinking below the yard arm, the driver of his commuter train announced over the public address system in a broad Irish accent: "Here is a special announcement for the gentleman who had a couple of jars. The train is now approaching Harpenden station; the next stop is Harpenden; I repeat for the gentleman who had a couple of pints..."

The gentleman—in City fig (not my colleague, I hasten to add) acknowledged the special service with a friendly wave as he stumbled from the train and headed towards the station exit. Now that's what I call service.

Observer

The Institute of Marketing



Marketing means Business

## IM Register of Marketing Consultants

The Institute of Marketing's Register of Marketing Consultants has been formed to provide a much needed and authoritative source of practical assistance to British industry.

There are close to 400 approved marketing consultancy companies on the Register whose breadth of experience encompasses the entire industrial sector.

Our scheme enables any company to approach us with their marketing problem and acting in complete confidence, we nominate up to three companies on the Register which, in our opinion, are most likely to meet a particular client's individual needs.

Since the Register was compiled, the Department of Trade and Industry has appointed the Institute of Marketing to manage the Government's Support for Marketing initiative, which gives marketing assistance to small and medium size companies.

If you think a marketing consultancy could help your company, please contact the IM Register of Marketing Consultants, Institute of Marketing, Moor Hall, Cookham, Berks, SL6 9QH, or telephone Bourne End (062 85) 24922.



Consult a Marketing Professional



INSTEAD of the upsurge in demand for sterling which some had expected after the elections we have had erratic fluctuations.

The Bank of England should have been able to make considerable sums of money out of recent fluctuations, and it has nothing to lose by publishing its profits and losses. This is the best way of making the case for some currency intervention to supplement more basic policies.

More worrying has been the fact that these currency fluctuations have been accompanied by the re-emergence of inflationary fears about the UK.

For the present these fears are exaggerated, but they could become a reality in the absence of an exchange rate commitment to which all the Prime Minister's so-called instincts are vehemently opposed.

Basically, if sterling looks like remaining in the upper half of the DM 2.8 to 3.00 range, there will be no long-term danger of an inflationary take-off. But the cost of preventing this take-off may be unnecessarily high, because business may mistakenly believe—in line with many forecasts—that sterling will depreciate in the medium term sufficiently to absorb a differentially high rate of British inflation.

So long as West Germany remains a bastion of sound (or even over-sound) money and the anchor for European countries with which well over half British trade is conducted, it is the sterling-DM rate—not bank lending or the money supply—which holds the key to British inflationary pressures.

I am not falling into Charles Goodhart's trap — into which he says the Treasury has fallen of jumping from the extreme of supposing that only "M3" matters to the extreme of being indifferent to its growth rate. What I am saying is that at a time when the velocity trend is anyone's guess, the sterling-DM rate will give the best single clue to whether or not UK money and credit expansion are excessive. The rest of this article is but commentary on this proposition.

The very latest inflation indicators have been, contrary to some City belief, not the very alarming. The large rise in broad money in May was mainly due to Bank of England purchases of foreign currencies for the reserves, which were not immediately offset by debt sales. The Bank was in effect countering strong deflationary pressures which would have arisen had sterling been allowed to rise to high. As far as bank lending is concerned, the May increase was no different from the average of the previous six months.

## Economic Viewpoint

# Some bad reasons for worrying about credit

By Samuel Brittan

The CBI June survey suggests that fewer companies are planning to raise their prices than in any month since last November—even though most firms are expected to increase output than at any time in the last ten years. But it would be foolish to dismiss an inflationary threat on the basis of a one-month change in between the CBI's main quarterly surveys.

Some further illumination is provided by the first quarterly GDP figures. These show a rise of 3.1 per cent in real GDP over the first quarter of 1986 and a rise of 6.1 per cent in GDP at current prices, otherwise known as Nominal GDP. The GDP deflator—or internally generated inflation—is roughly the difference between these two numbers and rose by 3.1 per cent.

But again, beware of false reassurance. For the GDP deflator incorporates the one-for-one effect of last year's fall in oil prices and may be a misleading guide to the future. Rather more worrying is the new upward creep to 7.4 per cent in the Department of Employment's estimates of the underlying rise in earnings, which had remained rock solid at 7.4 per cent for half a decade.

The growth estimates are usually revised upwards. The CSO suggests that, after all the revisions, Nominal GDP growth will most likely turn out to be nearer 8 per cent and real growth nearer 4 per cent. Nominal, and perhaps even real growth are more likely to accelerate than to slow down. The remarkably low number of business complaints of excess-

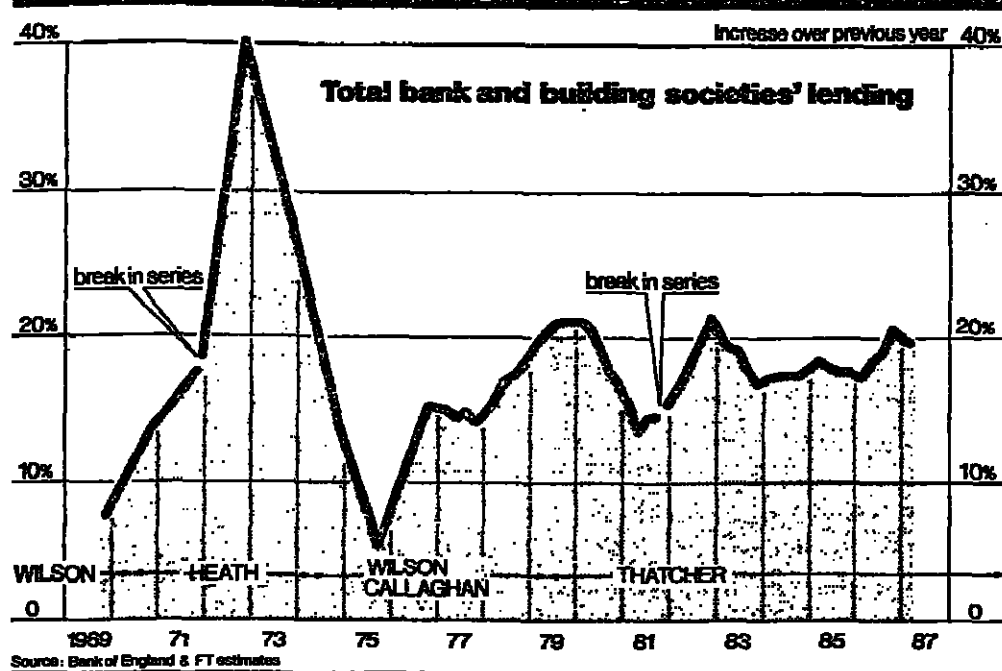
sive stocks is a pointer here.

Quite apart from the difficulty of forward projection, we have no means of knowing how fast a growth rate of either nominal or real GDP is consistent with low inflation. The optimists can point to the underlying increase of productivity—the exact size of which is disputed—and the slack represented by high unemployment, and the pessimists can say that on past experience, together with evidence of capacity constraints, real growth of anything above 3 per cent is liable to be inflationary.

Faced with this uncertainty, there is much to be said for the hint in the recent report of EC experts about relying on the exchange rate as the main counter-inflationary constraint. Nominal GDP is still required as the best yardstick for monetary policy, at the Group of Seven or EC level, and also at the level of the EC's key currency member, the German Federal Republic. It will come into its own in the UK level, too, once we have a better idea of the productivity trend and the levels and rates of change in unemployment, consistent with non-inflationary growth.

Readers will notice that I have not based my analysis on the growth of credit. Even in a leading financial centre such as London, there is a widespread suspicion that the growth of lending and credit, which are perfectly rational ways for households to even out their spending over time and for businesses to draw upon surplus savings elsewhere in the economy.

## LENDING IN THE UK



Source: Bank of England & FT estimates

Of course, there can be too much credit, as of anything else. But much alarmist writing is vitiated because it simply throws large absolute rates of increase at readers without any indication of the denominator to which they refer. The accompanying chart remedies this defect by plotting comprehensive figures for the percentage annual rate of increase of bank and building societies credit combined (avoiding double counting of bank lending to building societies and taking account of the Bill leak).

The rate of growth of total lending of just under 20 per cent in the first quarter of 1987 was only one percentage point above the average of the last eight years. It bears no comparison with the 40 per cent or so increase at the peak of the Barber boom—an estimate which is in the right ballpark despite the break in the Bank of England series.

Credit growth was actually higher in early 1980, at the onset of a severe recession and disinflation, than it was in early 1987. So far from accelerating, the growth of lending actually fell by about one percentage point in the first quarter of 1987; and initial indications point to a slight further decline this April and May.

When Polonius said: "Neither a borrower nor a lender be," he was thinking of prudential risks, not inflationary ones. There may be disquieting features about the growth of credit in the last few years, but the main worries are prudential.

The Chancellor is too quick to dismiss the growth of personal indebtedness on the grounds that personal financial assets have grown even more. The snag is that mortgages and loans to the personal sector are nearly all fixed in cash terms. The dwellings, which constitute the overwhelming proportion of personal assets, are price volatile and vulnerable to any setback to property values.

If the whole structure were to crack, and people were unable to service their mortgages on a massive scale (the signal for disaster in Apocalypse 2000), the dangers would be more those of slump and contraction rather than of inflation. But as I read it, the Bank of England's analysis of household debt does not signal more than an amber light so far.

Inflationary threats are not prudential ones. They arise because total demand in the economy is growing too quickly or because the exchange rate—the most important price in the economy—is falling too far. Monetary and credit expansion are important as contributory factors to the growth of demand. If demand growth does not exceed safety rates, and if sterling is strong, I cannot see what special problem is created by the growth of one component of demand financed by credit.

A reason why some people worry about credit-financed spending is that they fear that it is financed by creating money. This takes us back to the fact that there are now four official definitions of

money, showing annual rates of increase varying from 4.4 to 13.9 per cent, and that the velocity of the most rapidly rising measures has fallen sharply. The difficulties of interpreting the monetary data are not removed by shifting concern from the liabilities side of the banks' balance sheets, represented by money, to the assets side represented by credit.

A related worry is that credit-based spending is not offset by genuine savings. But a lot of it, even if the savings take place at a different point in the economy.

Investment and savings are always, of course, equal by definition in statistics of the past. The problem arises when this equality is brought about either by a current payments deficit (which counts as negative investment) or by a rising rate of inflation.

There is little sign so far of either. The £1.1bn current payment deficit for 1986, about which I was always so sceptical, has been revised down to £0.1bn; and in 1987 so far there has been a surplus. The underlying rate of inflation has been stuck at about 4 per cent for a very long time.

Let there be no misunderstanding. Demand management can never be exactly right; and there is now more danger of excessive than of deficit demand growth. But the extent of the risk can only be gauged from the movement of total spending and/or sterling, not by a fixation on the credit and banking figures considered in

## JOE ROGALY

# Teaching the French way

ONE OF the reasons why the French are superior is that their publicly funded schools are better. In fact they are so very much better than ours that it is hard to imagine any process of reform—even the plan put forward by Mr Kenneth Baker, the Education Secretary, to set up a national core curriculum rather like the one in France—that will enable us to catch up with them in anything less than a generation. Not everyone agrees with this. I was in deep trouble with my own offspring after writing in these pages the other day that around the time they were at primary school I had formed the moderate view that British teachers in state primary schools were criminal lunatics. A few days later I fell into a gaggle of middle-aged ladies and gentlemen, all of them Her Majesty's Inspectors of Education, who let me live, but first made it clear that they are of the firm and united opinion that standards vary.

This is, of course, true. But listen to what happens in a small French school, as described in a long letter from an Englishwoman who has settled in rural France. The first page that fell out of the envelope was a menu for the "Restaurant d'enfants" for May 1987. It was decorated with freehand drawings of a butterfly and local flora. Something a little different each day — on the 7th, for example, Sardines, followed by *Palet, Haricots Verts, and Yaourt aux fruits* — and on the 15th *Carottes râpées, Poisson Blanc, Riz Pilaf and Patisserie*. Comparisons with our own school meals are too painful, yet what is even more agonising is the realisation that at the age of six most of these deliciously fed nursery school children have already more or less learnt the alphabet, in printed and in cursive form, can write a few phrases, and know some numbers. "But most important of all, my correspondent adds, 'their attention span has been extended from two minutes to 20 — they have learnt how to learn.'"

At the primary school, her son, aged seven "is at home in French tenses I do not even remember learning for A level and as for the detailed

grammar, it is more technical than anything I ever learnt even in Latin." He is also doing taught history, geography, general science, and further stages of arithmetic. The teaching is systematic, and backed up by homework. Parents are expected to hear that day's poem recited, or to join in writing out the four times table.

Of course, some British schools and British parents behave in much the same way. But look at the recent report on Brent by Her Majesty's Inspectorate (HMI). Contrary to widespread belief, this does not really castigate the borough for its teaching on matters of sexual behaviour or ethnic origin. It does, however, find fault with the quality of teaching, and points out that, "as for the country more generally" (HMI's observation), under-5s in infant classes are not well served "largely because of a lack of appropriate adult guidance and suitable practical activities." Imagine a letter from a Frenchwoman who has settled in England; would she not write of the past three years, during which children are sporadically not to come to school, or sent home, because of something the English, in their incomprehensible way, call "industrial action"? Would she not write more feelingly than the inspectors, of, in their words, "inadequate planning and organisation of books and equipment, by heads and teachers?" Perhaps it is more likely that she would have withdrawn her child from British schools long ago.

For in France parental involvement is part of the culture. Textbooks with "smart, sophisticated, doubtless psychologically correct" holiday exercises designed to help the children as they move up a class are on sale in bookshops and news kiosks. "Education is taken very seriously indeed in France," writes my English expatriate correspondent, "and the last two weeks of August will be ruined for many French children as their parents nag them to complete the exercises in those books." Naturally, the teachers co-operate. Eat your heart out, Kenneth Baker.

## The making of managers

From Mr D. Fagandini

Sir, — Your fine editorial (June 20) regretting the passing of yet another part of industry into foreign hands, leads us nowhere unless read in conjunction with the recent MSC & NEDO reports of "The making of managers." Of all the skills of which we have deprived ourselves these past 100 years with our unique education system, that of the joint management of men and assets is the most obvious. Inner cities, academic research programmes, Wimbledon flops and a gradual loss of standing in high-tech industry are but the overt manifestations thereof.

The drive to import management skills from France, West Germany, Japan, the US and even Italy will doubtless have its desired effect in due course. The undesired effect will be to export the decision-making processes implicit in the planning of basic research and industrial strategy. That will be done, increasingly, where the skills we so badly need now reside. Unless, that is, we wake up and begin to use the latest scientific advances in information technology to speed up the process of education and training. The greatest contribution our academics could make to their own salvation would be to do just that, quickly.

D. A. A. Fagandini,  
6, Alcega Park, SE21.

## Student skills

From Mr P. Copping

Sir,—Peter Wright's interesting piece (June 15) on the barriers to developing students' personal transferable skills neglected three factors which, in my view, outweigh those he identifies as impediments to the discipline. Interestingly enough these neglected factors are exactly those which the MSC has taken into account in developing its "enterprise" programme for the YTS. All three concern the process rather than the content of education.

The first is that the claim to some personal transferable skill, like problem solving or co-operation with others, and even its certification in a reference or more usefully, an employer, in my experience, than the achievement of some goal which incorporates the skill. So the interviewer says "you say you can persuade people... well what have you done that shows that happening?"

It follows that all levels of education need to provide the opportunities for students to develop the skills of written or enterprise. MSC terms them, by being involved individually or in groups in display-

## Letters to the Editor

ing imagination, making decisions, managing resources, carrying the project through and evaluating the results. The process of learning needs to be student-centred in this sense to produce the evidence of the skills required in action."

The third factor is that this is unlikely to be achieved by teaching methods which are basically "tell and show" which stress the reproduction of knowledge rather than its use.

Already of course in schools the GCSE is attempting something of the programme suggested here and it is likely to spread to the GCE A level, and with MSC support, into higher education. Such activities, however, are not cheap, require a good deal of development of material and staff development, and if they are to be consistent with maintaining high "academic standards" require the more precise definition of the objectives of these which begin to use the latest scientific advances in information technology to speed up the process of education and training. The greatest contribution our academics could make to their own salvation would be to do just that, quickly.

Peter Copping,  
70 Cromwell Ave  
Manchester.

## Inner cities need incentives

From Mr A. Hollway

Sir,—While there is general agreement that more needs to be done for inner cities, the Government seems unable to suggest anything more imaginative than continuing the plethora of grants and hand-outs to various bodies, companies or specific projects.

Grants are expensive to administer, are unfair competition to other companies. They are wasteful, because government has never been good at picking "winners" in the past. Besides, grants tackle the symptoms and not the causes of inner-city decline, though that is another story.

A fiscal approach would be a more cost effective way to help inner cities. For instance, a reduction in national insurance contributions for companies as well as individuals in specific city areas. Alternatively raising tax thresholds in these areas or reducing business rates. The latter smacks of enterprise zones, though may be effective if only a proportion of the rates. There could be stepped reductions as more prosperous areas are reached, thereby avoiding a barrier effect, discouraging companies from boundary hopping to ease their taxation.

Admittedly, it would be a form of discrimination, over a period of years, between taxpayers in one part of the

country and those in another. But it would have the effect of pumping more money into the local economy and stimulating demand. Instead of the prospect of endless subsidies, with no tangible improvement in the economic prospects of many inner-city areas, there would at last be a real incentive to the individual to make local investment decisions, which will encourage natural regeneration, create "real" jobs and bring back pride to individuals.

Alan C. Hollway,  
W. F. Hollway & Bro.,  
43 Grafton St,  
Liverpool.

## Policy on mergers

From the Chairman,  
Wider Share Ownership Council

Sir,—Mr Barry Legg (June 18) hopes that the new team at the Department of Trade and Industry will abandon the review of law and policy on mergers and restrictive trade practices instituted by its predecessors last year. I sincerely hope it will do nothing of the kind.

It is important to make a distinction between two rather different types of operation. The term "merger" is conventionally used to describe an amalgamation of two companies agreed by both boards of directors and shareholders whom they represent. The terms of such a merger, normally where one of the companies is larger than the other, may well justify it being described as a takeover. In all this there is nothing very controversial; shareholders may not, in fact, benefit, but all the parties concerned believe that they will.

The takeovers which Mr Legg has in mind, however, are of a very different character. These are the contested takeovers, and to them there are a number of formidable objections. They inhibit productive investment, research and development. They distract management from its proper tasks. They create or exacerbate conflicts of interest between directors and shareholders. They encourage insider trading. They waste enormous sums of money. Most seriously, perhaps, they create the impression that the City is nothing better than a jungle where predators and speculators thrive while the small investor is ignored. All too often, to quote a Conservative speaker in a recent House of Lords debate, they appear to be simply examples of personal megalomania masquerading as corporate efficiency. And there is no good

evidence that they benefit shareholders as a whole.

Nothing of this is conducive to the development of a responsible share-owning society. Edgar Palamoutain,  
94 St Paul's Churchyard, EC4.

## Retailers' margins

From Mr R. Millinship.

Dear Sir,—I note with interest your coverage (June 18) of the FT retailing conference, in particular the need to attain a target 30 per cent ROI on any new project.

Presumably the margins that retailers obtain from superstores have far more to do with volume throughput than per cent markup on the goods; what other industry sells its inventory for cash within days of receipt and then has 60 days to pay its suppliers? It is quite feasible for retailers to sell goods below cost in such circumstances and still make adequate returns.

Perhaps it would be more apt to compare superstores to the High Street Banks rather than an enlarged version of the corner shop.

R. J. Millinship,  
Cardland Court,  
Southampton.

## Floating tourist centres

From Mr P. Keen

Sir,—The article (June 22) about the Oriana's future as a floating tourist centre at the Japanese resort of Beppu suggests new marketing opportunities for British companies, especially those producing luxury goods. You draw attention to the permanent exhibits representing life aboard the Oriana with its British immigration officer and photographs of the crew and passengers at play. What better setting then for shops filled with English bone china, Sheffield cutlery and English wools and other fabrics? Perhaps some of our leading names might even invest in a shop to themselves.

Paul H. Keen,  
22 Tiptonville Crescent,  
Sheffield.

## Sharing the cake

From Mr J. Lloyd

Sir,—I am sure that David Collison is right (June 22) to suggest that "a large cake unfairly shared may lead to a smaller sum of happiness than a smaller cake." In the real world, however, the option is generally between the unfair sharing of a large cake or the unfair sharing of a small cake, and what is "unfair" is a matter of subjective judgment. John Lloyd.  
Rosemoor, Watwyn's Castle,  
Haverfordwest, Dyfed.

This announcement appears as a matter of record only

May 1987

# STOREHOUSE

£150,000,000  
Multiple Option Facility

Arranged by  
Morgan Grenfell & Co. Limited  
with

£50,000,000 Committed Standby

Arranged by  
Morgan Grenfell & Co. Limited  
and  
Storehouse Finance PLC

Standby Banks

Bank Mees & Hope NV  
The Chase Manhattan Bank, N.A.

Barclays Bank PLC  
Commerzbank Aktiengesellschaft  
London Branch

Credit Lyonnais  
London Branch  
Midland Bank plc  
The Sumitomo Bank, Limited

The HongKong and Shanghai Banking Corporation  
Morgan Grenfell & Co. Limited  
Swiss Bank Corporation

Agent  
Morgan Grenfell & Co. Limited

habitat • mothercare • bhs • HEAL'S • CONRAN  
RICHARDS • Sainsbury • conran's • anonymous

CONRAN DESIGN GROUP • STORECARD



The closer you look at  
Shop Property the  
more you see...  
St Quintin  
01-499 8626

# FINANCIAL TIMES

Thursday June 25 1987

MAINTAINING  
THE STATUS HOE  
JCB  
CONSTRUCTION EQUIPMENT

## Wellcome defends its AIDS drug pricing

ALFRED SHEPHERD, chairman of the Wellcome Foundation, is in charge of the only drug available against the killer disease AIDS. It is a gratifying position, but it puts him in the crossfire.

Retrovir, otherwise known as AZT, is not only the single hope for AIDS sufferers, it is also exceedingly expensive, at around \$5,000 for a year's treatment. These two facts have inevitably prompted charges of greed and profiteering, with the hostility strongest in the US, where by far the bulk of the drug is sold.

Shepherd is deeply sensitive to the charge, but finds it hard to refute. To argue the case publicly would mean going into details of costs and pricing which are traditionally so sensitive for the drug industry that the company cannot bring itself to break its habit of secrecy.

Reading between the lines, though, it seems that profit margins on the drug are anything but low. Some others in the Wellcome portfolio, for instance, is Wellcome's biggest-selling product and the only drug available against another viral disease, herpes. It costs roughly the same as Retrovir, unit for unit, but Retrovir, with a very complex sixteen-stage manufacturing process, is the more expensive drug to make.

Talking to Mr Shepherd, one also

Alfred Shepherd explains to Tony Jackson the problems Wellcome is facing in trying to develop its AIDS drug Retrovir



forms the suspicion that the pricing of Retrovir is in practice so difficult as to be almost a shot in the dark.

Mr Shepherd begins with the conventional arguments of the drug industry - that only one candidate drug in 10,000 makes it to the market place, that on the basis of winners paying for losers the average drug costs \$100m to bring to market, that effective patent life for a new drug is eight years and falling.

"All these complications are things you have to recover from the market. But actually arriving at a price is a delicate business. With Retrovir, we set a price which was evolved in the US from marketing

views, and then tried to translate that to other markets. Exchange rates have changed things since, but in principle we wanted a common price."

So what were these marketing views? What, for instance, were the sales projections? "We've found it very difficult to tell ourselves we've got a handle on sales projections for Retrovir."

"The figures for AIDS cases notified to the World Health Organisation are around 52,000, and half of them are dead. That doesn't include ARC (AIDS-related complex) cases, or seropositives. The US Centers for Disease Control reckon around 1.5m seropositives in the US, but we

don't have a product licence for seropositives or ARC cases. We've got clinical trials going on to rush the drug to these markets as soon as possible, but we haven't got there yet."

So if not sales projections, what other factors were there? "Risk. If the virus were to go away overnight, we've made a very big commitment - including commitments to purchase of raw materials."

A figure of \$80m has been quoted as the cost of R & D so far for Retrovir. "I don't know where that figure came from," Shepherd says. So what is the true figure? "I don't have it. But a very significant proportion of our R & D in the last couple of years has been on AIDS - we had over 100 people working on it at one time."

In addition, he says, there are a lot of clinical trials still to come. "That will be a growing cost, though we will be getting revenues by then to offset it. I've just authorised taking on more scientists in the US to hurry our clinical trials through. It's conceivable that we might spend as much again over the next couple of years as we have to date."

Shepherd also points out the difficulties of pricing a drug for which there is no precedent in the market place. Parallels from the past might include Tagamet, the pioneering ulcer drug from SmithKline of the US

which came to the market ten years ago, and was the world's biggest selling drug until overtaken recently by a newer competitor, Glaxo's Zantac.

"There's a lot of intuitive thinking in this. In many cases, we have a market benchmark, but Retrovir is the exception. We are unable to build up a price with slide-rule precision, but I don't think anyone can in the drug industry."

"It's a novel compound and a ghastly novel disease, and who knows what's going to come at us in the way of competition? Though please God it does, from the point of view of society in the round."

The question of over-charging for the drug is in any case largely an American one, since in almost all other countries in the world drug prices are directly controlled by government. But even in America, there was a limiting factor.

"If we were to charge what appeared to be an enormously high price, there would be my opinion be a wave of public revulsion which would impinge on us in all sorts of ways."

In the end, he reverts to a plea for understanding. "Try not to fall into the trap I see everywhere - all the world asking questions based on long-term experience in the pharmaceutical industry, aimed at an unbelievably short track record on this drug and this disease."

## THE LEX COLUMN

### More a tip-toe than a tap

If it ain't broke, don't fix it. That appears to be the attitude of oil ministers from the Organisation of Petroleum Exporting Countries as they begin their biannual meeting. Doubtless the plan is to roll over the December agreement in time for delegates to do some Saturday shopping in Vienna. The markets would welcome such a non-event, which would keep prices, in the short term, at the current exalted level of around \$19 a barrel.

But such mutual self-congratulation is not entirely deserved. From the producers' point of view, the increase in revenues has been an optical illusion. In the first six months of the year daily revenues have averaged about \$280m, but when allowance is made for the collapse of the dollar, the producers' purchasing power is no greater than a year ago, when oil was at \$12 and output was running high.

If the idea of pegging the price at no more than \$18 was to stimulate demand for oil, then the plan has failed. At least \$12 oil was taking market share from other fuels, as British Gas can testify.

The markets, too, are surprisingly sanguine, given that Opec is now daily producing about 1.5m barrels over its agreed ceiling. While the quotas proposed for the second two quarters are on paper appropriate, they assume quite unrealistically that Iraq will join in the rationing: Iraq is already producing about 40 per cent more than its national quota, and is preparing to open a new pipeline in the autumn.

Almost everyone is much happier than when prices slipped into single figures. But the markets should be more concerned that Opec might need a similar shock some time during the next 12 months.

#### Minet

Minet after PCW is one thing. The last 90 days have seen Minet's shares outperform the market by 30 per cent, an omen that investors have long since discounted yesterday's news from Lima Street, even if Minet still retains a residual risk of last-ditch lawsuits from dissident PCW Names. The more tantalising issue is the final shape of the long £880m run-off of insurance claims faced by Syndicate 9001 and Lioncover, the two Lloyd's bodies formed to carry the old PCW liabilities.

If US product liability and medi-

cal malpractice claims are a sizeable chunk of them - and PCW was reinsuring property/casualty companies like Fireman's Fund of California - the run-off will be over by 2007. But a long-tail of asbestos losses could stretch out to 2050. The wide margins of uncertainty surrounding reserving techniques for US casualty business will make

Meanwhile the cash which contributed to the rise in interest and other income, from £14m to £46m, is being spent much more quickly than in the past. To cap it all the sharp fall in the tax charge last year is also likely to reverse, leaving earnings barely up on the most bullish forecasts.

This is all short-termism when the company is fundamentally as sound as ever: the shares' weakness may be a buying opportunity - but one which could last for quite a while.

#### Charter Cons

For Charter Consolidated the path from exotic investment trust to industrial holding company is a steep and rocky one, and shareholders may yet rue the day the journey was undertaken. Yesterday, however, the market was not in doubting mood and left the shares close to the prospective sector rating.

Why Charter should trade at a hefty premium to companies like Hanson Trust is something of a mystery; the asset-backing may be impressive but Anglo-American is hardly going to allow a Charter break-up, and its return on Capital is still at least 12 percentage points adrift of that 20 per cent goal.

Last year's better-than-expected recovery is attributable to loss reduction and the (unrepeatable) bounce back at Johnson Matthey. The difficulties of sustaining even respectable growth, particularly with a higher tax charge, are underlined by the flat performance of the operating subsidiaries where only manufacturing's returns were anything to boast about.

Even some of those companies where Charter exerts full control exude a certain passivity - waiting, for example, to benefit from British Coal's accelerated capital expenditure programme.

Much now hangs on how the cash pile is employed. The Anderson Strathclyde deal does not inspire confidence in Charter's acquisition skills, but there are a number of fresh faces in the senior management and they now have a chance to justify that generous rating. Because they might also be tempted to do something about the no-man's-land holding in Johnson Matthey, that should remain a far more attractive investment than Charter itself.

## Village that waits for its local hero

MRS GERTRUD Hoppstaedter (née Honecker) did not shake hands, but with a hoe in one hand and a bundle of weeds in the other, this was not really surprising.

The sister of Mr Erich Honecker, the East German leader, was tending her trim garden in the village of Wiebelskirchen in the Saarland where she and her brother grew up in the tortured interim Germany between two world wars.

Like any other pensioner whose family has been split up by fate, the widowed Mrs Hoppstaedter, sprightly, blonde-tinted and looking younger than her 70-odd years, apologetically described her brother as "schreibfaul" (lazy about writing). She said she had last seen him two years ago.

On Monday, with the sun illuminating Wiebelskirchen's winding streets and blurring the blemishes left by the area's run-down coal and steel industry, the scene was almost idyllic.

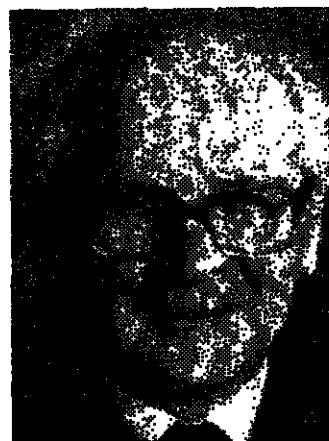
But, if Mr Honecker makes his long-planned trip back to his Saar birthplace this autumn, Wiebelskirchen, maybe just for a few hours, will be abuzz with security officials, police and cameramen - and Gertrud will have other things on her mind than tending the garden in her modest green-painted house by the Catholic church.

Mr Honecker, who will be 75 in August, has been in power in East Berlin since 1971. He first planned a visit to the Saar in September 1984.

The planned trip has been repeatedly put off in the past few years because of opposition in Moscow to what would be the first trip to West Germany by an East German leader.

In the past few weeks, Mr Honecker has made clear that he expects to come at last this autumn. But there is still a good deal of nervousness about whether the visit will come off.

David Marsh, recently in Wiebelskirchen, reports on the on-off visit of East German leader Erich Honecker



The visit could be soured by any permutation of East-West political setbacks in the next few months - everything from the stalling of the US-Soviet arms talks to fresh disagreement about the status of Berlin.

The recent political debate in West Germany over the prospects for reunification - anathema to the East Berlin leadership - has probably not improved the prospects.

Although Bonn wants to do nothing to imply that it recognises Mr Honecker as a leader of an independent state, West German officials say that, for the moment, they think he will come. And in Wiebelskirchen, where TV crews were already on the streets three years ago to prepare footage, people are preparing with some reluctance for a possible resurgence of media attention this autumn.

Mrs Hoppstaedter, a member of the German Communist Party and still, no doubt, the object of discreet surveillance by both the East and

West German intelligence services, has a reputation for not speaking to journalists.

On Monday, just back from a trip to Luebben in East Germany (the partner town of Mr Honecker's birthplace of Neunkirchen next door to Wiebelskirchen), she was friendly enough, although not disposed to have a long political conversation.

She hoped her brother would come "to bring people together." The East German representation in Bonn would be able to give more information, she added helpfully, before making plain she wanted to get back to her wedding.

Mr Klaus Hoppstaedter (no relation - the name is a common one in Wiebelskirchen), the Social Democratic Party chairman of the local district council, said the population was "nervous" about the prospect of seeing Mr Honecker for the first time since 1949. The only outward preparation was the repainting - green, not red - of his sister's house three years ago.

In view of the shooting of East Germans trying to escape to the

West, some local people wanted Mr Honecker to stay where he was, but probably most would recognise him as the leader of a legitimate East German state. "They are a little bit proud of their Erich," Mr Hoppstaedter added.

Up at the cemetery, set prettily among the rolling hills and disused collieries surrounding the town, fuchsias are planted on the grave of Mr Honecker's parents, which would mark the emotional focus of any autumn pilgrimage.

The melancholic green-coated gardener-cum-cemetery keeper, who says Gertrud keeps the grave well looked after, remarks with an air of doleful wisdom that whether Mr Honecker sees the tomb is will not be for the Germans to decide. "It will depend on Moscow - just like we depend on America."

"He has the right to see his homeland again," opines Mr Werner Zins, a 60-year-old retired colliery worker who says: "Erich Honecker has not forgotten the Saar."

Mr Zins, a communist, is chairman of the local pipe and drum band, which represents an extraordinary link with Mr Honecker's past.

The grey-haired East German leader was a drummer boy in the left-wing leaning band in which his father played in the 1920s. Broken up by the Nazis in 1935, it was reformed in 1969 with Mr Honecker as an honorary member. Now the only original player still alive, he sent a telegram to commemorate its 25th birthday in 1979.

In the complex political game that will decide Mr Honecker's autumn travel plans, Wiebelskirchen's wishes count for next to nothing. But if the local boy does indeed come back home, and if security considerations allow, Mr Zins, who plays the bass oboe, aims to lead out the band to welcome him.

## S African squatters defeat council

A SOUTH AFRICAN court ordered a white town council yesterday to rebuild two black shanty homes it had demolished, a ruling hailed by civil rights workers as a breakthrough for the country's squatters.

Anti-squatters laws had seemed to give the authorities unlimited rights to knock down shanty towns which have mushroomed due to an acute shortage of land and housing zoned for blacks under apartheid. But residents of Lawaaiikamp, who are fighting a year-old battle against removal from their long-established shanty town on South Africa's southern coast, took the town council of nearby George to Cape Town's Supreme Court and won their case.

Judge Gerald Friedman ruled that the council, which had reluctantly acknowledged Lawaaiikamp's existence, was not entitled to "take the law into its own hands" by knocking down two houses.

He ordered them to "immediately restore" the buildings and pay the costs of the case, which lawyers estimate could be about \$20,000 (\$10,000).

A spokesman for the anti-apartheid National Committee Against Removals said the ruling would make local authorities think twice before sending in the bulldozers. "Informal settlements all round the country now have at least some legal ammunition behind them to question, if not resist, removal," he said.

"It will also give people some confidence in the judicial system, knowing that they are not just victims of apartheid laws but that they can challenge them."

The only Lawaaiikamp resident who made the 400km journey to Cape Town to hear Friedman's ruling was 25-year-old Mr Mxolisi So-maseli.

He said: "We're going to celebrate. It's a lesson to the (George) municipality that forced removals are un-Christian."

George's council was eventually forced to recognise the existence of Lawaaiikamp's wood and sheet-metal shacks because of the lack of officially-zoned land in the area for blacks.

It wants to move squatters from the 40-year-old shanty town and put them on a new site out of sight of George, where most would have to rebuild from scratch.

The council demolished about 150 shacks last year.

## Talks on EC airline reforms progress

BY TIM DICKSON IN BRUSSELS

NEGOTIATIONS on a key package of EC airline reforms intensified last night as Italy and Greece kept up their fight to limit the impact of changes on their national carriers.

Observers close to the talks indicated that there had been progress on some of the outstanding issues but that there was continued disagreement on several key areas.

One extra uncertainty last night was the position of Spain, which is worried by the possibility of cheap flights to Gibraltar, undermining its commercial interests in the southern part of the country. As a result it is seeking to exempt British terri-

tories airports from the final package.

Yesterday's meeting of EC Transport Ministers, which continues today, is considered crucial because the European Commission has threatened to withdraw its proposals by the end of this month and to break up the deeply entrenched European airline cartels by direct legal action in the European Court of Justice.

All member states are anxious to avoid what would be a long period of anxiety and confusion for the industry - but as yesterday's events illustrated, not for the first time, they seem equally hesitant about

entering into a political deal acceptable to all parties.

The Commission's original proposals have been watered down many times. However, the remaining sticking point in the compromise put forward this week by the Belgian Presidency of the Council is the proposal to allow more airlines to compete on new and established European routes.

There are three major problems: ● The most serious is the plan to open up more services between the major "hub" airports, and smaller regional airports.

Italy, Greece, Denmark and Spain are pushing for a large num-

ber of individual airport exemptions but the Commission says the list is too long and that Italy which wants to exclude the northern part of the country, must be willing to make further compromises.

● Another key part of the package is "fifth-freedom rights", or the ability to set down and pick up passengers at one destination before flying on to another. This is particularly important for the Irish and the Portuguese.

● Multiple designations. This is the right for more than one national carrier to operate on an established route.

stake in the network it will set up to run the next generation of cellular in the UK in return for it holding a stake in similar networks on the Continent.

This idea, if it came to fruition, would result in the first multinational-owned telephone network in Europe.

Both these moves relate to the pan-European digital cellular network which European governments have agreed should be set up in 1991 on the basis of identical standards across Europe.

Several telecommunications companies have been discussing joint ventures to make equipment for this new pan-European network,

## World Weather

Area	Temp	Wind	Area	Temp	Wind
Alaska	23	23	Denmark	24	27
Canada	22	23	Finland	13	27
USA	22	23	France	13	27
Greenland	22	23	Germany	13	27
Scandinavia	22	23	Italy	13	27
Spain	22	23	Poland	13	27
UK	22	23	Czech	13	27
USSR	22	23	Slovak	13	27
Japan	22	23	Hungary	13	27
China	22	23	Romania	13	27
India	22	23	Bulgaria	13	27
SE Asia	22	23	Greece	13	27
NE Asia	22	23	Turkey	13	27
South America	22	23	USSR	13	27
Central America	22	23	USSR	13	27
Caribbean	22	23	USSR	13	27
South America	22	23	USSR	13	27
Central America	22	23	USSR	13	27
Caribbean	22	23	USSR	13	27
South America	22	23	USSR	13	27
Central America	22	23	USSR	13	27
Caribbean	22	23	USSR	13	27

## European cellular links sought

BY DAVID THOMAS IN LONDON

BRITISH TELECOM is discussing a joint venture for the next generation of cellular telephone equipment with Alcatel, the French group which is the world's second largest telecommunications equipment maker, Motorola, the US cellular equipment manufacturer, and GEC, the UK electronics group.

A consortium involving these four companies would be a powerful presence in the European cellular equipment market, forecast to be very large in the 1990s.

Separately, Celnet, the UK cellular operator jointly owned by BT and Securicor, the British security company, is at the early stages of considering whether to invite European telephone operators to take a

stake in the network it will set up to run the next generation of cellular in the UK in return for it holding a stake in similar networks on the Continent.

This idea, if it came to fruition, would result in the first multinational-owned telephone network in Europe.

Both these moves relate to the pan-European digital cellular network which European governments have agreed should be set up in 1991 on the basis of identical standards across Europe.

Several telecommunications companies have been discussing joint ventures to make equipment for this new pan-European network,

which will create an equipment market worth £800m a year in the 1990s, according to one estimate.

Although these discussions are still fluid, two broad consortia appear to be emerging. Motorola and Ericsson of Sweden, the rival companies which are the world leaders in the manufacture of the present generation of analogue cellular equipment, are involved in putting together the separate consortia.

Motorola is talking to BT and Alcatel about forming a consortium, which might also involve other companies such as GEC. Motorola hopes that one powerful grouping capable of supplying Europe will emerge from these discussions.

## Banking Executives of outstanding ability

Currently Earning  
£50,000-£150,000

Ogden and Co. are Management Consultants specialising in executive recruitment. We are currently extending our contacts with executives of outstanding ability and achievement in all fields of banking, and in particular with specialists in International Fund Management, Treasury, Corporate Finance and International Capital Markets. We would like to hear from people who feel that in developing their careers over the next few years, they should not rule out the possibility of moving to a bigger job in another organisation.

As a first step, please write giving a brief summary of your background and experience to Dorothy Page. Any approach will be treated in the very strictest confidence.

Ogden

MANAGEMENT CONSULTANTS  
Ogden and Co. Ltd, One Old Bond St.  
London W1X 3TD, 01-499 8811



## INTERNATIONAL APPOINTMENTS

<b>GROUP FINANCE</b> to £30,000 + Car Surrey	An ACA aged 25-35 who can demonstrate analytical flair, a good appreciation of computing matters and experience of corporate management reporting is urgently sought for this high profile group role at the nerve centre of a dynamic and rapidly expanding multinational. Ref: MJH 605
<b>FINANCIAL CONTROLLER</b> c. £27,000 + Car Middlesex	A challenging position exists within this high-tech capital goods manufacturer for an ambitious ACA/ACCA aged 28-35. Responsibilities include supervising the accounts department, with an emphasis on systems development, analysis and forecasting. An aggressive, inquisitive mind, plus relevant post-qualifying experience essential. Ref: AC 535
<b>DEVELOPMENT &amp; CONTROL</b> £25-£27,000 Car & Banking Btts C. London	The vigorously maintained profile of this Top Ten U.S. Bank has created an executive calibre opening for a young qualified accountant. Strong systems and treasury flair will provide the technical 'keys' to the successful management of this autonomous division. Forceful, versatile personality guarantees career prospects. Ref: JH 26
<b>CONTROLLER DESIGNATE</b> to £25,000 + Car City	Our client a major force in City banking provides outstanding career prospects. A bright ACA can expect a position with both variation and a high level of responsibility from day one. Duties will include analysis, international reporting and financial planning. Ref: JN 499
<b>CORPORATE FINANCE</b> c. £23,000 C. London	Leading retail organisation currently undertaking an aggressive expansion programme, offering exciting opportunities for young newly qualified accountants. Initially developing new computerised systems in their established corporate finance arm, the position will provide excellent grounding for a long term career in this progressive organisation. Ref: LA 539
<b>CAREER MOVE</b> c. £20,000 N. London	Progressive international information technology company seek a young and ambitious individual with good all round accounts and computerised systems experience. Excellent communication skills and an ability to work under pressure essential. Superb opportunity to break into project accounting within dynamic market leader environment. Ref: NG 571

**HUDSON SHIRMAN**  
THE COMPLETE FINANCIAL SELECTION SERVICE  
Vernon House, Sicilian Avenue, London WC1A 2QH. Tel: 01-831 2323

## Retiring BankAmerica president quits limelight

BY LOUISE KEHOE IN SAN FRANCISCO

MR THOMAS COOPER, former president of BankAmerica, the holding company of the second largest US bank appears ready to keep his name out of the headlines for a while with a new position as chairman and chief executive of ISFA Corporation, a privately-held Florida discount brokerage and insurance concern, formed five years ago, and now employing some 1,700 people.

"One of the advantages of working for a private company is that my compensation will not be published," says Mr Cooper, who earned over half a million dollars per year during his two years at BankAmerica.

Neither, Mr Cooper can assume, will details of his every word and move be publicly scrutinised at ISFA as they have been at BankAmerica, where he was responsible for a major cost cutting programme that included closing dozens of branch offices and heavy layoffs.

Mr Cooper announced his resignation from BankAmerica last month and he will leave at the end of June. His move was, it has been suggested,



Mr Thomas Cooper: retiring from BankAmerica to quieter place in Florida financial services group

prompted by a power struggle with the return as chairman and chief executive of Mr A. W. (Tom) Clausen, the long-time head of the World Bank, although Mr Cooper says that Mr Clausen urged him to stay. "I wanted to participate in the financial services industry, in a growth-oriented company that can support the changes I believe are going to occur because of broadened competition and technology," says Mr Cooper.

At ISFA, Mr Cooper plans to expand the brokerage and insurance services that the firm offers through banks, savings and loans and credit unions.

## Elders IXL reshapes finance side

By Gordon Cramb

ELDERS IXL, the Melbourne brewing and pastoral group which also ranks itself as Australia's largest non-bank financial institution, yesterday unveiled a reshaping of Elders Finance Group (EFG), its investment management and loan services arm.

When EFG was formed in 1984, Elders was hoping that deregulation of the Australian financial sector would bring it a domestic banking licence, but negotiations with the Canberra authorities have failed to secure agreement. Instead, it has developed links in capital markets abroad, which the latest moves are designed to foster.

Mr Kenneth Jarrett, managing director of EFG, gains the title of chief executive and will also chair five new regional boards. Managing directors for these are Mr John Crosby (Australia), Mr Max Ware (New Zealand), Mr Brian Wager (Asia), Mr George Ziller (Europe) and Mr Ravi Ravindran (US).

Mr Neil Sutherland is to head worldwide treasury activities and Mr William Payne is to take charge of strategy and development including acquisitions. The appointments, all internal, are described as part of a "new thrust into the international financial markets."

## Baxter Travenol head moves to IC Industries

BY WILLIAM HALL IN NEW YORK

MR KARL D. BAYS, a leading figure in the US healthcare industry, is to take over as chairman and chief executive of IC Industries, a Chicago-based conglomerate formed from the Illinois Central railroad, on his having resigned as chairman of Baxter Travenol Laboratories.

Mr Bays, a 53-year-old, is succeeding the 68-year-old Mr William B. Johnston who has headed the IC group since 1966 and has been responsible for transforming it from a railroad company, connecting Chicago and the mid-West with the Gulf of Mexico, into a broadly based conglomerate, operations of which range from food and soft drinks to auto service shops. In the first quarter of 1987 it had sales of \$1bn and net income of \$28.5m.

Mr Bays' appointment surprised some Wall Street analysts because he was regarded as one of the leading figures in the US healthcare industry, where he has worked for close to 30 years. He joined American Hospital Supply as a sales representative in 1958, and worked his way up to become chief executive in 1971.

In 1986, Baxter Travenol launched a \$3.8bn takeover bid for his company, and Mr Bays emerged as the chairman of the combined group. However, analysis noted that Mr Vernon Loucks, Baxter Travenol's chief executive, remained the dominant figure and speculated that Mr Bays missed his being in charge of day-to-day operations. IC Industries is a smaller company than Baxter Travenol and appears to have had some problem finding a successor for Mr Johnston who is presently recovering from a stroke. Mr Bays, who joined IC Industries board just over a year ago, is well regarded in the business community and sits on the boards of Amoco, Delta Airlines and Northern Trust. Although he has no experience of running a railroad (which IC Industries still plans to sell) analysts say this should not be a disadvantage since IC Industries is in such a variety of businesses that no single background would suit. Mr Jack Kelly, who follows the group for Goldman Sachs, says that IC Industries is a "well managed company," and he expects that there will be no "dramatic change in direction" under Mr Bays. Mr Bays, whose appointment is effective from July 1, will continue to sit on the Baxter Travenol board, and Mr Johnston will continue to sit on the IC Industries board.

## Accountancy Appointments

### Financial Controller

City to £50,000 + bonus + mortg. sub.

Our client, a major UK multi-national financial institution, is seeking to recruit a Financial Controller for its international operations.

The requirement is for a progressive, far-sighted individual who sees the role of a financial manager as being key to the success of the business generally. The ability to identify and communicate the business implications of financial data will be an essential attribute as there will be considerable involvement with other senior line managers in the decision making process.

The Financial Controller leads a highly specialised team which includes many qualified accountants. Responsibilities encompass both Financial & Management Reporting and Analysis, Planning and Forecasting as well as a strong systems development

requirement.

The successful applicant will be aged 34-42 and probably a graduate qualified accountant. Previous experience in a senior role in a financial institution is desirable but not essential. More importantly will be the ability to continue the development of an integrated financial and management information system which will be unrivalled within this sector. Highly developed communication skills at senior management level and a strong background in effective man management, are essential prerequisites.

Interested candidates who meet these demanding requirements should write, enclosing a comprehensive C.V. and daytime telephone number quoting ref. 426 to Philip Rice



MA, ACMA, Executive Division,  
Michael Page Partnership, 39-41  
Parker Street, London WC2B 5LH.

**Michael Page Partnership**

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide  
A member of Addison Consultancy Group PLC

### FINANCIAL CONTROLLER

— Prestigious Investment Management Group —

c. London

Neg. to £30,000 + Car

Our client, an ambitious and highly successful investment management group, currently managing funds of £140m, is controlled by an experienced and respected team of professionals. Formed by the recent merger between one of the most established and reputable fund managers and a young and innovative investment company, they are seeking to identify and exploit new investment opportunities on an international basis.

The appointee, reporting directly to the main board, will be in charge of a small and experienced team. This is a 'hands on' role where the responsibilities will cover the financial management and general administration of the group, together with the more specific administration of the 'back office'. Additionally you will be involved in improving the financial control and reporting systems, together

with advising the Board on the financial implications of business strategy, corporate structure, taxation and other key issues.

For this important appointment we are seeking a confident, articulate and high calibre qualified accountant, probably aged 28-40, preferably with exposure to either the banking or investment sectors. Above all, candidates must be self starters who can demonstrate a high degree of personal integrity.

The salary package is negotiable as indicated, and also offers the opportunity for very substantial future benefits which could include a generous share option scheme.

Please write to David Rush, Consultant to the company, or call him on 01-387 5400 (out of hours on 0474 874321) for an initial confidential discussion.

### FINANCIAL SELECTION SERVICES

DRAYTON HOUSE, GORDON STREET, BLOOMSBURY, LONDON WC1H 0AN TELEPHONE: 01-387 5400

## Financial Manager

Investment/  
Banking

£20,000  
+ Car

to reinforce the management team of a long-established blue chip investment Trust which employs its own staff to manage equity funds of over £750m.

Responsibility will be for the Trust's expanding asset finance and licensed deposit-taking subsidiaries and for Group Treasury. The task is to assimilate current operations and to assume additional responsibility in a variety of new business areas.

The need is for a graduate with well-developed skills of financial analysis, a knowledge of financial

markets and a record of achievement within the financial sector or industry. A legal or accountancy qualification and experience of tax and EDP would be an advantage.

Age: around 30 Location: East of Scotland Remuneration: Around £20,000 plus attractive benefits with scope for substantial career development.

Please write in complete confidence to Peter Craigie as adviser to the Trust:  
Arthur Young Corporate Resourcing,  
17 Abercromby Place, Edinburgh EH3 6LX

**Arthur Young Corporate Resourcing**

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

## Divisional Accountant

S.W. London

c.£20,000 + car

The company, part of a successful quoted PLC, is expanding rapidly and is a major force within a service industry in which a high level of customer service is maintained. It is split into a number of operating divisions and the day-to-day accounting function is centralised.

Reporting to the Financial Director but with a close functional contact with Operational Directors, you will be responsible for continuing the development of financial and management accounting for one of the divisions using the Company's mainframe and micro-computer networks. To this end, there will initially be a high involvement in the

introduction of one of the mainframe systems. You will be aged about 25 and a qualified accountant (ACA, ACMA or ACCA). You will be progressive, commercial, outgoing and keen to develop your career as quickly as possible.

As the Group is acquisitive, future career opportunities should arise.

Please send a detailed cv, including daytime telephone number, in strict confidence to George E Cross, at Management Appointments Limited (Search and Selection Consultants), Finland House, 56 Haymarket, London SW1Y 4RN. Tel. (01) 930 6314.

**MAL**  
Management Appointments  
Limited

## COMPANIES ACCOUNTANT

CITY  
£23,000  
+ car

Dedicated to developing its product range and to maintaining professional excellence and growth, our client is a market leader in the provision of specialist financial resourcing services to international clients. At this vital phase in the group's development, an accountant is sought to provide a varied financial and management accounting capability to two of the group's key subsidiaries, using fully computerised systems.

To be considered you will be qualified, aged 25-30, and confident in your ability to liaise effectively with senior financial personnel and to maintain reporting effectiveness to tight international deadlines.

In addition to a generous salary, a quality company car, life assurance, and five weeks holiday will be provided.

WRITE TO OR TELEPHONE, IN CONFIDENCE, SARAH ADCOCK, MANAGER, ACCOUNTANCY DIVISION, ON:—  
01-256 5041 (OUT OF HOURS 01-981 5963) QUOTING REFERENCE: CG0465



**Management Personnel**

Recruitment Selection & Search

10 Finsbury Square, LONDON EC2A 1AD.

## MANAGER FINANCIAL CONTROL SYSTEMS

Merchant Bank

Substantial Remuneration Package

OUR CLIENT is a leading City Merchant Bank and member of the Accepting Houses Committee active in banking, investment management and securities trading.

THE ROLE is to provide financial control and business systems support throughout the organisation as head of a small professional team. There will be considerable liaison with other senior managers and broad exposure to all sections of the company including the international operations. This is a senior, high profile position which offers excellent career prospects.

THE REQUIREMENT is for a qualified accountant with a financial services background and sound systems experience. This will probably have been gained in merchant banking but suitable candidates currently working in the profession or in consultancy will be considered.

Personal qualities required include a first class intellect, a diplomatic yet forceful personality, the ability to motivate others, initiative and flexibility. The ability to communicate effectively at all levels is considered essential.

THE REMUNERATION PACKAGE, including mortgage subsidy, profit share and a car, will reflect the importance of this position.

Please reply in complete confidence enclosing a CV and quoting reference no 164A to the Managing Director.

**Tanstead Associates Ltd**

Executive Search and Selection  
West End House, 11 Hills Place, London W1R 1AG  
a member of the Tanstead Professional Group



## Are you that very special one in a 100?

You are a very rare type of executive. Still young, you have enhanced your tremendous natural management ability with a good menu of specialist skills particularly in financial systems and a notable track record of success.

You thrive on challenge and change. Before colleagues have even recognised a passing opportunity, you will have taken maximum advantage of it.

Yet despite being already special, you know there is still a lot of capacity for

personal skills improvement, and you crave an environment which will give you this wider experience and stimulus. Let's talk.

Our client, one of the fastest growing management consultancies in the world, is seeking exceptional people who can bring new perspectives to a wide range of complex business problems - and rapidly effect lasting solutions. People with high intellectual ability who can also operate as a member of a small, elite group. Under 30 with a good First degree (an

MBA?) and an appropriate professional qualification, you can earn up to **£40,000 plus car**. The future? Within 3 years, you will have the opportunity of a partnership.

We'll treat your application in strict confidence. Please write, with full C.V. to: John L. Thompson, Thompson Associates Ltd., Compton House, 20a Selsdon Road, South Croydon, Surrey CR2 6PA quoting reference: 1179

**T.A.L.**  
THOMPSON ASSOCIATES LTD  
London, Newcastle, Derby, Glasgow

## FINANCE DIRECTOR DESIGNATE

East Sussex coast

c.£20,000 + Car + Incentive Package

Situated in a most attractive, historic, coastal location our clients are regarded for the quality of the electro-mechanical components they distribute on an exclusive basis throughout the UK.

Current and future growth indicate the prime need to appoint a Finance Director.

Reporting to the Managing Director, you will be responsible for the complete accounting function including upgrading and developing the financial and management information using computer based systems. You will become an integral member of the management team and be expected to play a highly visible role in the development of the corporate plan ultimately leading to flotation.

This appointment will be of considerable interest to qualified accountants seeking an exciting career opportunity within a £5m organisation experiencing dynamic growth.

The benefit package is negotiable and will be structured to attract and reward the determination, application and commitment seen as necessary to enhance the company's further expansion.

Please write with full CV to:

**RONALD BRIDGES ASSOCIATES**  
EXECUTIVE SELECTION CONSULTANTS

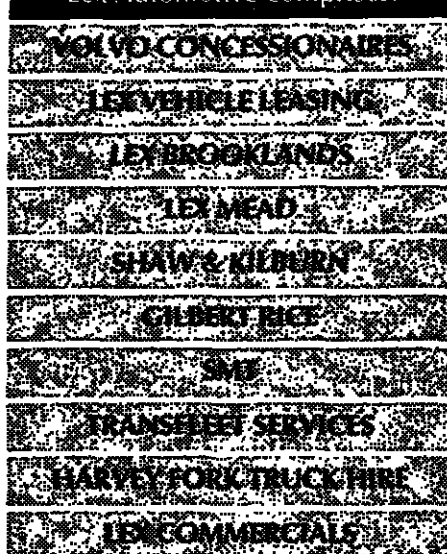
Arundel House, 32 Arundel Road, Eastbourne, E. Sussex BN21 2BG

## EXECUTIVE DIRECTOR FINANCE

Drive Lex further ahead in Passenger Car Contract Hire

£30k-£36k + 2 cars + benefits + prospects

Lex Automotive comprises:



Lex Automotive is one of Britain's most outstandingly successful automotive groups, increasing market penetration and leadership through growth and acquisition.

Lex Vehicle Leasing, which is a joint venture with Lombard North Central plc, is Britain's largest passenger car and light van contract hire company. With a current fleet of over 25,000 vehicles, the company is expanding by 25-30% each year. Even more ambitious growth is planned and this role within a high-powered management team is crucial to driving the company into clear market dominance.

We seek a Finance Professional who combines strong business acumen with strength of character and who relishes a broader challenge in a highly influential role. Reporting directly to the MD, your brief will be to control all normal financial activities and to influence directly the development of the business, including participating in the development and negotiation of full maintenance contract hire packages with Directors of major client companies.

The need is for a confident, articulate and commercially creative man or woman who will not only adapt readily to change but is early to

recognise the need for it and eager to direct and manage it. Someone with the vision to identify opportunities for improvement and the personal credibility and assertiveness to implement them. A self-assured command of highly developed computer systems will be required.

This is recognised as a key, visible position within the group. The ambitious professional we seek, probably aged 30-35 with experience in first-class UK companies, will undoubtedly use the position as a career development move to a more senior role in one of the Lex companies.

Salary will be around £30k with the opportunity to earn around £36k through a performance related bonus. The package includes two company cars, BUPA and non-contributory pension.

In the first instance please write detailing why the experience and qualities you possess make you suitable for this role, to: Richard Brewer, Director of Personnel, Lex Automotive Limited, Lex House, 17 Cornmarket Place, London W2 2EL.

## High Profile Finance Roles ...with a European Dimension

Camberley Area up to £25K + Car

Established in California in 1982, Sun Microsystems has built a worldwide turnover well in excess of \$300m and achieved a leading position in the international market for high performance work stations. The Company's success is based on a single-minded approach to product supremacy and the immense energy and commitment of the people who work for us. Internal career development has led to the need to recruit two high-calibre finance professionals.

### Financial Planning and Analysis Manager

This is a critical role involving a high level of exposure to the business operations of the European subsidiaries and Corporate HQ in America - formulating business plans, analysing trends, monitoring individual subsidiary performance and providing advice to business managers.

You should be a graduate aged 30 with planning and analysis experience ideally gained within a hi-tech or other fast-moving environment.

### European Accounting Manager

Your initial brief will be to develop common accounting standards and procedures and maintain the central accounting system. Longer-term you will be expected to develop a treasury function and to be heavily involved with establishing, and accounting for, new European subsidiaries.

Ideal profile is mid to late 20s, ACA, ideally with hi-tech experience or possibly as a first move out of the profession.

Both positions will be based in the European HQ with travel to European subsidiaries and the Corporate HQ in California. Candidates should have high levels of computer literacy in addition to the personal qualities to thrive in a dynamic and demanding environment. These are exceptional opportunities within an outstanding organisation.

Please send your CV, quoting reference 35055, to our advising consultant,



Philip Bainbridge,  
at MSL International,  
Pilgrim House,  
2-6 William Street,  
Windsor, Berks SL4 0BA.  
Tel: 0753 842044.

## Accountancy Personnel

Placing Accountants First

**SM Stoy Hayward**

### CAREERS IN CORPORATE FINANCE

Baker Street

£Highly Competitive

CORPORATE FINANCE is one of the largest growing, most exciting areas of public practice and as such can offer rapid career progression to technically strong, ambitious candidates. Stoy Hayward have placed great emphasis on the development of their Corporate Finance and Investigations Department and are seeking to strengthen their team by recruiting candidates at all levels from recently qualified to manager level. All positions can offer involvement in flotations, rights to issues, acquisitions, disposals, Business Expansion Scheme Work, venture capital appraisals, viability studies and raising finance. Candidates should be professionally qualified with a highly developed commercial sense and the ability to establish strong relationships with clients and professional advisors.

For further details, please contact:  
Fay Bishop,  
Accountancy Personnel,  
63/65 Moorgate,  
London EC2M 6BH  
Tel: 01-628 8625

**Henderson Administration Group plc**

### ACCOUNTANCY CAREERS WITHIN INVESTMENT MANAGEMENT

EC2

£12-25,000 Packages

Our client, fore-runners in the post "Big Bang" investment management sector have grown impressively through planning, marketing and professionalisation.

This progressive expansion has allowed the creation of a variety of exciting and challenging career opportunities for ambitious, competent accountants.

Whether you are part-qualified and looking for full study assistance and hands-on experience or are qualified (3-5 years PQE) and seeking the right environment to develop your career, the chance is yours now.

You will enjoy an approach that encourages performance, integrity and efficiency and you will gain exposure to both mainstream accountancy and the specialised requirements of the financial sector.

Remuneration includes non-contributory pension, free BUPA, bonus and some posts offer a fully expensed car. Previous investment exposure though useful is not essential.

For further details, please contact:  
Accountancy Personnel,  
307/308 High Holborn,  
London WC1V 7LR  
Telephone: 01-404 4581

**Grant Thornton**

### MANAGER/ASSISTANT MANAGER

Petersfield

£Excellent

Grant Thornton is one of the UK's leading firms of Chartered Accountants and the Petersfield office, with 10 staff and highly sophisticated computer systems, has particular involvement with farming clients.

This challenging opportunity for a Manager or Assistant Manager offers excellent career potential, and demands management skills coupled with the ability to take an active interest in clients' business.

Candidates should currently be working in public practice and will ideally, though not necessarily, be qualified. Knowledge of, or a particular interest in agriculture is essential.

A generous salary and benefits package will be negotiable.

For further details, please contact:  
Accountancy Personnel,  
72-74 High Street,  
Guildford,  
Surrey  
Telephone: 0483 64882



### PROPERTY ACCOUNTING

To £20,000 + Substantial Benefits

NORWICH UNION is a major British based group, operating principally in the world of insurance, investment and financial services. The Essex Division currently leads the UK's investment in funding commercial property development with a portfolio already exceeding £2 billion.

This high profile appointment ensures key member status within the management team for a qualified accountant familiar with the accounting implications pertaining to this important field.

The attractive remuneration package includes NCP and life insurance plan, mortgage allowance scheme, permanent health insurance scheme and relocation assistance to this, the country's fastest growing region.

For further details, please contact:  
Accountancy Personnel,  
Davy House,  
Castle Meadow,  
Norwich  
Norfolk NR1 3BY  
Telephone: 0603 760141

### HOUSE BUILDING MANAGER (MANAGING DIRECTOR ELECT)

required for recently acquired subsidiary of

RAINE INDUSTRIES plc

MILLARD HOMES is a highly regarded Tipton based housebuilding company operating in the West Midlands region, currently completing around 140 dwellings per annum, and a significant opportunity has now arisen for a person to head the Company.

The successful applicant will be responsible to the Main Board Housebuilding Director for achieving specific growth targets and overall profitability.

Candidates should be fully experienced and be able to demonstrate a track record of achievement in keeping with the requirements of this job. The ability to assess customer demand whilst relating to all key functions in the Company is vital to the success of this appointment.

We offer an extremely attractive remuneration and benefits package encompassing:

- ★ basic salary
- ★ bonus participation in the Group's share option scheme
- ★ company car
- ★ BUPA
- ★ pension and life assurance
- ★ relocation assistance considered

Please forward your written application, giving full personal and career details, including current earnings to:

Mr G. A. H. Thorpe, Executive Director  
Raine Industries plc  
Ashbourne Road, Macclesfield, Derby DE3 4NB

## FINANCE DIRECTOR DESIGNATE

Our clients who are a substantial firm offering professional services to the building industry are looking for a qualified Chartered Accountant to head the accounting and management information departments with a view in the short term to becoming finance director.

The successful candidate should be aged between 28 to 43 with at least 5 to 6 years post qualification experience either in the profession or commerce. The position is suitable for an ambitious and energetic individual who is looking to further their career.

Salary: circa £25,000 to £30,000 plus benefits.

Please send your CV to:

R. H. Kleiser Esq  
Messrs Gerald Edelman  
25 Haverly Street, London W1N 2BR

## Financial Controller

FOR BANKING AND FINANCIAL SERVICES GROUP

We are a privately owned group of which the principal operating subsidiary is a licensed deposit taker which will assume full bank status when the banking act is implemented in October. We are looking for a financial controller who would have overall responsibility for the accounting, reporting and management information, budgeting, forecasting and computer systems.

The financial controller would also participate in the assessment, selection and implementation of a new computer system over a time of 12-24 years. Applicants must be chartered accountants and it would be an advantage to have a knowledge of banking systems although this will not be a pre-requisite for the position. The envisaged age group is 30-45. This position reports directly to the board of directors with the future possibility of a seat on the board.

Salary: £23,500 pa plus car and benefits.

Please write with cv to Managing Director  
Box 40207, Financial Times  
20 Cannon Street, London EC4A 3DF

## Group Financial Controller (Director Designate)

City

Salary neg to £35K + Car + Benefits

Our clients, leading independent international P&I Club Managers have, as a result of continued growth, identified the need to appoint a Group Financial Controller.

Reporting to the Group Finance Director, you will play a significant part in the control of the financial organisation, and the monitoring of performance of all the mutual Clubs under management.

Candidates likely to be aged 35 years of age, should be mature, graduate Chartered Accountants who can demonstrate specialist financial or insurance market experience gained in a commercial environment. Good personnel skills, and computer application experience are fundamental requirements in this post.

There are excellent opportunities for career progression to Board status with this developing group. If you have the requisite credentials, you should send a detailed CV, including current salary, to Don Day FCA quoting reference LM904 at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.



**Spicer and Pegler Associates**

Executive Selection

## Group Management Accountant

Negotiable c£15,000 + car

Essex

An opportunity for an unqualified or part-qualified Management Accountant who lives within access to the M25-A12 network, to join an expanding group of companies dynamic environment. Rapid growth and continued expansion has created an exciting success and naturally the attendant pressures. This is a newly created post to strengthen the existing highly efficient accountancy function.

You will assist the Group Company Secretary in many of his Group Secretarial duties but you will have overall responsibility for the liaison, monitoring and internal auditing of selected Group Companies. Involvement in preparation of targets for all companies and group consolidated monthly management accounts will be another aspect of this challenging post.

You will be part of a well knit and efficient team where diligence, hard work and loyalty are recognised and rewarded.

Write with brief cv to Sheila James, at PER, 1 High Street, Chelmsford, Essex.



Britain's Largest Executive Recruitment Consultancy



## Finance Director

Major Publishing Group  
London  
c £40,000 + bonus + benefits

A major publisher of consumer magazines in the UK, seeks to appoint a key financial executive to head the finance function of this reputable group.

Based at the corporate headquarters in London, and reporting to the Chief Executive, your brief is to lead a well motivated finance team in maximising company profitability and achieving corporate growth through well planned fiscal initiatives. You will have a major input into financial policy matters and as a

Board member be expected to interpret financial trends and advise on all financial matters.

We are seeking a commercially aware, qualified accountant with extensive experience of controlling staff and operating at Board level. Applicants must be computer literate and have a track record of sound financial decision making.

The rewards package, in addition to the salary, includes a performance related bonus, quality car and the usual benefits associated with a

high level appointment.

We will fully respect the confidentiality of any initial approach from those interested in discussing this appointment further.

Alternatively please submit a full CV, including details of current salary and quote reference MCS/5084 to:

Barrie Whitaker  
Executive Selection Division  
Price Waterhouse  
Management Consultants  
No. 1 London Bridge  
London SE1 9QL

Price Waterhouse



### WINDSOR

Hill Samuel Investment Services  
If you've got what we want we can provide you with a unique opportunity.

We are seeking men and women with financial or sales experience to work in the Berks, Bucks, Oxon and Hants areas based at our new Windsor offices.

Full training and support is provided to enable you to promote the full range of our renowned products.

Please write enclosing full CV to:

M. Mackintosh

HILL SAMUEL INVESTMENT  
SERVICES LIMITED  
50 Pall Mall, London SW1Y 5JQ

### RECENTLY QUALIFIED

£20,000 - WEST LONDON

+ PARTNERSHIP PROSPECTS

Dynamic young practice seeks a first class ACA with one or two years PQE. The position will involve a mixture of audit and general practice work. This is an excellent opportunity for a determined first class young accountant. Please call David Paine on 01-726 4626 or (evening) 763954 (evenings). Alternatively write to:

FINANCE RECRUITMENT,  
Grafton House, 2/3 Golden Square,  
London W1 (Reg. 315)

## Audit & Special Projects

ACA's-ACMA's-IT Specialists  
c£25,000-£30,000 + Car

These 3 positions are in a newly formed elite team which will be based at the corporate centre of a £2 multibillion international consumer product group. The team will be responsible for high priority and sometimes highly sensitive projects particularly focused on controls and information systems, the quality of management information, profitability and asset management. The Group, which has expanded rapidly, will be subject to further major change and the individuals in this team will have the pronounced stimulus of working up to the top level in the organisation.

Applicants should be graduate accountants or IT specialists aged late 20's to early 30's with experience in any of the following three fields: large scale audit or investigative work; the operation of industrial control systems and/or financial reporting in a marketing led consumer product group; or IT formulation and review. Sound interpersonal skills, the resilience to see a project through and very high standards of written and verbal presentation are essential. Success will open up opportunities for advancement to some of the key roles in the organisation. Location - West End.

Please apply in confidence quoting ref. L308 to:

Brian H Mason  
Mason & Nurse Associates  
1 Lancaster Place, Strand  
London WC2E 7EB  
Tel: 01-240 7805

Mason  
& Nurse  
Selection & Search

## Link your Future to Ours

Leasing/Asset Based Finance

A progressive and diverse international banking Group is seeking a Senior Executive to take over Marketing responsibility for its UK Leasing/Asset Finance company.

Based in the City, you will report to the Chief Executive responsible for Leasing/Asset Based Finance. Whilst predominately UK related, you will be encouraged to be innovative and develop cross border business.

Aged around 30, you will be working currently in the leasing division of a banking Group. You will

have a minimum of 3 years experience in the leasing of capital equipment and a sound knowledge of the medium/big ticket market place. A strong marketing orientation is essential.

A competitive salary is offered, with performance related bonus, together with a car and usual bank benefits. Applications should be sent to Charles Earp of Cripps, Sears & Associates Limited, Personnel Management Consultants, International Building, 71 Kingsway, London WC2B 6ST. Telephone 01-404 5701.

Cripps, Sears

## ACCOUNTANTS

for a challenging environment  
Major Financial Services Group

NM Schroder Financial Management Limited is an expanding group of companies providing an integrated and comprehensive range of financial services to individuals, partnerships and private companies.

The structure of the Group is changing; its management is dynamic and forward-thinking. To enable the Group to implement its future plans, a team of accountants is required, with various levels of experience, to plan and assist with developments and projects.

Amongst the positions to be filled are those of the Development Accountant and two Project Accountants. The work will be broad, ranging from financial involvement on systems developments to financial management of corporate projects, working alongside the existing financial and corporate management.

These positions will meet the career aspirations of accountants at all levels and will offer invaluable experience of the financial services industry. The remuneration package is excellent and, depending on the position to be offered, includes company car, mortgage subsidy and comprehensive relocation assistance.

Applicants who believe they have the ability to meet our requirements are invited to write to the address below with brief career details or a CV stating the level at which they believe they can contribute to the team.

Miss Jean Brooks, Group Personnel Officer  
NM Schroder Financial Management Limited, Enterprise House,  
Isambard Brunel Road, Portsmouth, Hants PO1 2AW  
Telephone: Portsmouth (0705) 827733

NM Schroder Financial Management  
LIMITED

## P&O Bulk Shipping

### Chief Accountant

P&O Bulk Shipping Limited is the parent of a group of companies operating in the shipping market. Its principal activity is the operation of ships in the dry cargo and tanker trades, and the provision of ship management services to P&O and independent owners.

We are looking for an experienced Chief Accountant who will be responsible to the Finance Director for the parent company's finance function.

Particularly important areas of activity are:-

- Supervision of the production of management and statutory accounts.
- Assisting the Finance Director with project and finance related duties.
- Monitoring the effectiveness of accounting and reporting systems in use.
- Cash flow management.

You should be professionally qualified, with 5 to 10 years' post qualifying experience and be in your early 30's. Relevant experience should include the operation and development of computer systems and the ability to manage staff effectively. You should also be able to demonstrate an effective contribution to management in service related businesses in an international environment.

A competitive salary will be offered with company car and benefits package. If you can confidently match our requirements, write with full career history and details of current salary to:-

Mr C.R. Bollen, Personnel and Administration Manager, P&O Bulk Shipping Limited,  
Kent House, Upper Ground, London SE1 9NE.



## LAWYER

WEST LONDON CIRCA £25,000 + BENEFITS + CAR

The Northern European Division office of this highly successful multinational Company is looking for an inhouse lawyer who will report to the Senior Legal Counsel for the Division. The main responsibilities will include counselling division and country management on legal issues, especially in the areas of Company law, anti trust, consumer law, contracts and competition. The Division is responsible for the Company's operations in the United Kingdom, Republic of Ireland, the Netherlands and Nordic regions.

The suitable candidate needs an excellent legal education with above average grades and will have been qualified in a European jurisdiction for at least three years. The candidate must have a willingness and readiness to deal with complex legal issues, an ability to work with meticulous thoroughness and professional understanding in order to arrive at sound practical solutions within a commercial environment.

The candidate should have three to five years professional experience in commercial legal fields with exposure to EEC legal concepts and preferably experience and interest in international legal issues. Ideally experience should also include litigation and complex negotiations, with involvement in the development of marketing, financing, joint venture and industrial property agreements. Outstanding communication skills, verbal and written, are essential. In addition to fluency in English, knowledge of another European language would be advantageous.



WRITE WITH A FULL CV TO JOHN WALLER  
DIRECTOR OF HUMAN RESOURCES  
COCA-COLA NORTHERN EUROPE FEMBERTON HOUSE  
WEIGHTS LANE, LONDON W6 5BN. TEL: 01-228 2121

## FINANCIAL CONTROLLER

SOUTHAMPTON In excess of £20,000 + car

Our client is a rapidly growing specialist distribution company. They have recently completed a major acquisition which has resulted in the need to recruit a financial controller.

You will be an ambitious qualified chartered accountant probably aged 28-35.

Further growth with the emphasis on acquisition is foreseen. In-depth investment appraisal experience would, therefore, be an advantage but not essential.

Reporting to the management director this is seen as a positive development role with excellent career prospects. You must, therefore, be able to display not just an impressive track record to date but the motivation and ability to progress quickly.

You will be responsible for all aspects of financial control. An immediate priority will be for you to upgrade the financial and management information using computer based systems. Previous computer experience is therefore a must.

This is a tremendous opportunity to join an expanding group at an early stage in its growth.

Please write with full career and personal details to:  
David W. Breger  
LIVINGSTONE FISHER ASSOCIATES LTD  
Management Consultants  
Acre House  
69/70 Long Acre  
London WC2E 9JW



## Chief Accountant

City of London

c£24,000 + car

A challenging role has been created for a qualified accountant aged 27-32 with strong commercial instincts to join a successful trading company - itself part of one of Britain's fastest growing p.lcs.

Working with the Company Secretary you will manage a small department establishing new systems and will provide the Board and the group with vital management information. There will be considerable emphasis upon cash management including foreign exchange cover and

negotiations with banks.

This is an excellent opportunity to impose your own management style on the department and to be a key member of a company that has achieved considerable growth and foresees continuing expansion in the future. Career opportunities with the group are therefore obvious.

Please write, enclosing a career/salary history and daytime telephone number, to John P. Sleigh FCCA quoting ref J/614/BF.

Lloyd  
Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

## ACCOUNTANT/COMPANY SECRETARY

Mellon-Pictet International Management, Limited is a rapidly growing international investment management company based in the City.

We want to appoint someone with accounting and company secretary skills to take responsibility for the following tasks:-

- Preparation and maintenance of the company accounts.
- Management of our compliance with regulatory requirements in U.S. and U.K.
- Management of our tax obligations and planning.
- Special projects related to new business development.

This is an interesting career opportunity for someone, probably aged 28-32, who is ready to take independent responsibility, as part of a friendly, hard working team. Remuneration to City standards.

Send your C.V. and a brief letter explaining the reasons for your interest to:

Mrs. H. Clarke  
MELLON-PICTET INTERNATIONAL MANAGEMENT, LTD.  
Cutlers Gardens  
5 Devonshire Square  
London EC2M 4LD



TV

## Director finance and administration

### Papua New Guinea



Our client, Air Nugini, is the national airline of Papua New Guinea. Air Nugini operates domestic services to a large network of airports throughout the nation and international services to Australia, the Philippines, Solomon Islands and Singapore. The airline operates a range of aircraft types, including Fokker F28, De Havilland DH47 and A330 Airbus.

We are seeking a Director, Finance and Administration, to be responsible for the further development and management of the airline's corporate financial and administrative services.

The successful applicant will be a qualified accountant with senior financial management experience, preferably in an airline environment and have a sound working familiarity with international money markets, a strong commercial background and the ability to provide sound policy advice to the General Manager and the National Airline Commission.

An attractive salary package is offered which reflects the senior nature of the position and includes a generous salary, furnished housing, motor vehicle, gratuity, annual leave fares and access to airline industry concessional travel arrangements.

Please send résumés, including current remuneration and a daytime telephone number to Gregory T M Hinds, Ref. GH717.

Coopers & Lybrand  
Executive Selection

Coopers & Lybrand  
Executive Selection Limited  
Shelley House 3 Noble Street  
London EC2V 7DQ  
01-606 1975

## Appointments

### Advertising

£43 per single column centimetre.  
Premium positions will be charged £52 per single column centimetre.

For further information, call:

01-248 8000

Daniel Berry  
Ext 3456

David Rhodes  
Ext 4676

Tessa Taylor  
Ext 3351

## FINANCIAL PLANNING MANAGER

YOUNG QUALIFIED ACCOUNTANT  
MARLOW, S. BUCKS  
TO £23,000  
+ 700 SERIES VOLVO  
AND EXCEPTIONAL BENEFITS

Volvo Concessionaires is an important and highly successful subsidiary of Lex Service plc, the £1 billion automotive and electronic distribution group. As a result of promotion within the group the opportunity has arisen for a talented, commercially-minded Accountant to join a young finance team in this key role.

With a small staff he (or she) will be responsible to the Financial Controller for developing short and long range plans and for analysing and reporting on performance. The job and the Company's management style combine to provide high visibility with non-financial management and the opportunity to make a personal contribution to the Company's continuing success.

Direct experience is less important than a sustained record of academic and professional achievement coupled with very good communication skills.

Benefits include a non-contributory pension scheme, private medical insurance, 28 days' annual holiday, plus relocation if appropriate.

Write or telephone for an application form or send full details (with daytime telephone number and current salary) to our adviser, R.A. Phillips, ACIS, FCII, Phillips & Carpenter, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours). Please quote Ref: 1643/FT.

# VOLVO



## Global Village Reporting

### Based Nr. Bristol High Prospects and Rewards

Our client, a major division of a UK £2 billion-plus turnover group, is entering a most exciting growth phase. Operating throughout the world, it manufactures and distributes a range of high quality and sophisticated products.

Strong international financial control is a key ingredient of their success as the availability of accurate, timely and appropriate financial data is recognised as providing an important competitive advantage. Two roles in particular have emerged as crucial to this end:

#### FINANCE AND TREASURY MANAGER Package c£25,000

With responsibility for Treasury, Group Financial Reporting and Operational Audit, this position offers high international exposure to senior management, at operational and Group level, and external advisors including banks and other financial institutions. Key tasks will include: advice on funding; maintenance of the Group Management Information Reporting System; the establishment and maintenance of Group accounting policies and internal controls.

The ideal candidate will be a graduate Chartered Accountant at manager level with a 'Big 8' firm, aged 26-28, with experience of international consolidations. He, or she, must display the ability to grasp wide business issues, pay attention to detailed complexities and, above all, have the ambition to progress rapidly.

Both roles provide the foundation for an excellent career within the Group and only candidates with the full potential to realise their aspirations need apply. Those capable of such should write to Renny Hayes BA ACA at Michael Page Partnership, 29 St. Augustine's Parade, Bristol BS1 4UL, or telephone him on 0272 276509 (24 hours).

#### FINANCIAL PLANNING AND ANALYSIS MANAGER Package c£22,000

This role is open to high-calibre graduates (ACA, CIMA, ACCA), aged 26-30, with an excellent track record to date and again, even greater future potential. Applicants must be able to work to tight deadlines, react positively to pressure, and shoulder early responsibility. Prerequisites include a sound knowledge of sophisticated analysis techniques and micromodelling literacy.

Key tasks include: management of the Financial Planning Process; Risk and Opportunity analysis; further development of Micro Models; and, supervision of the Investment Appraisal Process. Liaison with senior operational and group management will provide the high exposure necessary for the successful applicant to realise his/her full potential.



Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

### Your step towards business management...

## Divisional Financial Controller

Gloucestershire c£25,000 + Car + Benefits

Our client has earned an enviable reputation within its sector for quality and growth. They are a £13m turnover subsidiary of an expanding £35m international group and operate at the forefront of retail distribution.

This is an unusual opportunity to enter a fast moving and dynamic environment, and take your first steps into general management. They seek a graduate chartered accountant to play a major role within their young management team. The ability to contribute towards corporate decision making is therefore essential and the Group see this as an ideal stepping stone to a commercial management position. You will have a minimum of 2 years' PQE within a commercial environment and be aged between 27-33.

The company is in the process of developing a

sophisticated point of sale management information system, hence extensive experience of computer systems will be an advantage. Strong communication skills are a prerequisite as you will be:

- ★ reporting to the Managing Director
- ★ responsible for a number of accounting staff
- ★ liaising with line managers.

Apart from an attractive salary, company car and other benefits, you will have the rare opportunity to enter a business undergoing substantial growth.

If you are able to meet these exacting criteria, please write to Paul MacKilow BA ACA at Michael Page Partnership, 29 St. Augustine's Parade, Bristol BS1 4UL.



Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

## Computer Industry Finance Director

Cobham,  
Surrey

c. £35,000, car and equity participation

This newly created computer company markets hardware and software products and provides a comprehensive range of support services. With an impressive customer base, six locations and in-house expertise already established, the company is projecting a \$10M turnover and plans a Stock Exchange listing in the longer term.

The Finance Director will contribute significantly to the development of the business by forming an integral part of the management team and liaising extensively with branch managers, clients and suppliers. In addition to implementing financial controls and directing the finance function, the Finance Director will be expected to negotiate with financial institutions, evaluate potential acquisitions and manage the integration of new businesses.

Candidates should be graduate Chartered Accountants, aged around 35 with excellent commercial experience gained preferably in the

computer industry. Candidates should be proactive, energetic and have excellent communication skills.

In addition to the generous remuneration package the successful candidate can participate in the growth of the business by acquiring equity.

Please reply to Basil Miller, in strict confidence, quoting reference 5015/FT on both envelope and letter.

Deloitte  
Haskins + Sells

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

## Accounting Opportunities

A rare Opportunity to progress with a major Multinational c. £20K

LINK  
MANAGEMENT  
SELECTION

Opportunities such as this are rare - but then our client is a rare breed of company. Part of a leading multinational, they are ideally placed to offer you unrivalled opportunities to develop your career within their European operation.

Our client is seeking a career-minded achiever with the vision and energy to convince us they can respond successfully to the varied demands of a large organisation. Recently qualified, you will need sound business acumen backed by the personality to operate effectively in a team environment. This role demands a high degree of flexibility within the accounting function and will appeal to people keen to take on responsibility. Computer literacy is also a prerequisite.

The key requirement is potential. The potential to prosper in a company where the opportunities for career development could not be better and where ability is always recognised and rewarded.

Based in Middlesex, immediate rewards comprise a highly competitive salary and benefits package including relocation assistance where appropriate.

If you have the ability and initiative to meet the challenge, please send full C.V. including salary details to Mrs Jennifer Baker, LINK Management Selection, 24 Buckingham Gate, London SW1E 6LB. Telephone: 01-834 3777.

## GROUP MANAGER - OPERATIONS REVIEW PACKAGE TO £30,000 + CAR

Bunzl is a major international company with interests in paper, plastics, distribution and transportation in the UK, USA, Europe, Australia and the Far East. With sales of over £1,000 million and profits growth of 50% p.a., it is one of the most exciting companies in the UK Top 80.

Bunzl's rapid expansion has led to the creation of a new position, reporting to the Group Controller - Operations and Audit. As Group Manager, you will provide 'hands-on' leadership to a team of qualified accountants in the review of operations and internal control arrangements. You will have the opportunity to travel extensively. There are excellent prospects for promotion to line management, and an early transfer to the United States is a strong possibility.

We are looking for a graduate qualified accountant who has trained with a major accounting firm or industrial company. You should be able to demonstrate accomplishment in internal or external audit, and a record of achievement in your career development. Language ability and/or computer audit experience would be a plus. You are likely to be in your late twenties to mid-thirties. An excellent remuneration package, including relocation assistance where necessary, is available.

We also have similar vacancies at a less senior level for accountants with 1-2 years PQE.

To apply, please send your c.v., including details of your current remuneration, to:

A.S. Knighton, Group Personnel Manager

BUNZL PLC, FRIENDLY HOUSE, 21-24 CHISWELL STREET, LONDON EC1Y 4UD

## MERCHANT BANKING

Graduate ACA/CA's 22-30

Package Neg c. £25,000-£30,000 plus

Our THREE clients are a major UK FINANCIAL INSTITUTION, a leading UK STOCKBROKER and a dynamic UK FUND MANAGER with a glittering track record. Between them, they require NO LESS THAN 7 YOUNG QUALIFIED ACCOUNTANTS in the probable age range 22-30.

You must have a good academic background but above all a pleasant though firm personality. The vacancies are all CITY based apart from the requirement for a GUERNSEY based FINANCE DIRECTOR.

If you think you're EXCEPTIONAL, please contact GEORGE D. MAXWELL, Managing Director

ACCOUNTANCY APPOINTMENTS EUROPE

1-3 Mortimer Street, London W1N 7RH

Tel: 01-580 7739/7695 (direct)

or 01-637 5277 ext. 281/282

Accountancy  
Appointments  
Europe



A superb opportunity in one of the UK's top retailers

## NEWLY/RECENTLY QUALIFIED ACCOUNTANT

**c£22,000 + car + relocation Central London**

This is a unique opportunity to become part of the management team running one of the leading retail groups in the UK. This team is formidable, containing some of the most respected names in British retailing. Their main virtues are excellence and dedication and we seek a newly or recently qualified accountant to join them.

Our client is one of the largest UK retail groups and is growing rapidly, both organically and by acquisition. As group accountant you will play an important part in the development of the company. This is a key role in the running and development of the group's information system, and includes

the preparation of consolidated results, budgeting, forecasting, providing a management accounting service to the parent company, and substantial involvement in a large variety of accounting exercises. This position should be seen as the first step towards a strong career in the group.

Candidates for the position should be newly or recently qualified graduate accountants. The main criterion is excellence.

Please send your career and current salary details, together with a daytime telephone number, to Barry C. Skates at our Maidenhead office, or telephone him on 0628 75956 for an informal discussion.

MKA SEARCH INTERNATIONAL LIMITED  
MKA House, King Street, Sharncliffe House, Meadcliffe St.  
Maidenhead, Berks SL6 1EF, Worcester, WR1 2DO  
Telephone: (0628) 75956 Fax: (0628) 75957

London, Maidenhead, Worcester, Leeds

**MKA**  
Search, Selection & Training

*"An outstanding opportunity for an  
exceptional young Accountant or Lawyer."*

## COMPANY SECRETARY

**c£23,000 p.a. + finance sector benefits**

With £24 billion of funds under management, Prudential Portfolio Managers is the largest single institutional investor in the UK.

The City is in the throes of an exciting revolution and we are responding to it with original approaches and ambitious plans - as always, we aim for leadership in whatever market we enter.

Our expertise in the retail financial sector encompasses the prestige markets in the UK for savings, life protection, unit trusts, PEPs and other financial services products; worldwide we provide tax efficient schemes for the expatriate community utilising currency funds and offshore based bond and equity funds.

As a result of creating an organisation centred around specific business needs, an exceptional opportunity now exists for a young qualified Accountant, Lawyer or Chartered Secretary with 2 to 3 years' solid professional experience. If this experience is

within the financial services market, then so much the better. The position is a two-fold challenge which entails providing an efficient Company Secretary service, and taking up a wide range of ad hoc projects and tasks on behalf of senior management.

The diversity of the challenge and breadth of exposure to Prudential business development is sufficient to whet the appetite of the most ambitious high flier. Success will demand energy, commitment, imagination and the constant desire to achieve. Rewards will be considerable - an initial salary negotiable around £23,000 plus a benefits package that includes a low interest mortgage and a non-contributory pension.

Above all, the high visibility of this position in a vital and vibrant business development area creates the most exceptional career prospects. Please send a concise but comprehensive cv to Hilary Cunningham, Personnel Officer, Prudential Portfolio Managers Limited, 142 Holborn Bars, London EC1N 2NH.



**PRUDENTIAL**  
Prudential Portfolio Managers Limited

## Compliance Officer/ Credit Controller

**Excellent entrée into Financial Services  
c £20,000 plus bonus  
City**

Compliance is becoming a vital discipline within the City's new regulatory framework. A successful and respected group of international futures and options traders has an opportunity for a diplomatic but energetic individual to head up its key compliance and financial control team.

Intelligent applicants will spot the advantage of entering this field in the early days and may feel that they can

offer more than is required of them in their present auditing or accounting role. The opening provides a springboard from which either to specialise in compliance or to pursue a wider career within the group.

The successful applicant is likely to be aged between 25 and 35 and, although not necessarily a qualified accountant, should have enough presence to command respect. Knowledge of futures

and options broking is not essential but good auditing experience and computer exposure would be a distinct advantage.

Write enclosing full CV and salary details, quoting MCS/4011, to: Miles Holford, Executive Selection Division, Price Waterhouse Management Consultants, No. 1 London Bridge, London SE1 9QL.

**Price Waterhouse**



## Divisional Finance Director

**Midlands  
£30,000 + car + bonus**

Our client is a highly successful and fast expanding publicly-quoted industrial group of autonomous companies with exciting growth prospects both in the UK and overseas. The entrepreneurial flair and strength of the Board is reflected by recent record profits.

The emphasis in this new appointment will be to assist the Divisional Chief Executive to maximise the profit potential of the Division which has an annual turnover of £75m. This will be achieved by ensuring that divisional subsidiaries operate and maintain the highest level of financial control and management information systems. The analysis and critical review of this information is seen as vital to the continued

growth and development of the division.

The Group strategy to extend further its house building operations will entail the Director instigating and managing major capital expenditure projects. In addition, this expansion will also mean a significant involvement with the investigation of potential acquisitions.

The requirement is for a high calibre executive who is currently heading up the financial function of a substantial UK Company. Probably aged 30-40, you will be able to demonstrate experience of operating strong financial management and controls and an ability to guide and direct companies in line with corporate objectives. It is a specific requirement that potential

candidates must possess substantial experience gained within a construction, preferably house building, environment.

This is a challenging appointment and will not suit those seeking a passive role.

Candidates should write in strict confidence enclosing a full CV and salary details quoting MCS 8728 to Gary Birney, Executive Selection Division, Price Waterhouse Management Consultants, Livery House, 169 Edmund Street, Birmingham B3 2JB.

**Price Waterhouse**



## Appointments Advertising

£43 per single column centimetre  
Premium positions  
will be charged £52  
per single column centimetre  
For further information call:  
01-248 8000  
Daniel Berry  
Ext 3436  
Tessa Taylor  
Ext 3351

### PA TO PARTNER

£21,000—WEST END

Our client, a small dynamic practice, seeks a young ambitious chartered accountant with 2/3 yrs PQE. Top 8" background would be preferable. Excellent prospects for partnership in the short term.

Please call: David Paton on 01-725 4836 or (Redhill: 762094 evenings). Alternatively write to: Finance Recruitment, Grafton House, 2/3 Golden Square, London W1. (Ref 283).

## TOZER KEMSLEY & MILLBOURN

REQUIRE

## A Financial Controller

(Aged 30 to 40 years)

Salary Circa £35K Plus Executive Car

There is a vacancy for the new position of financial controller of the automotive services and property division who will report to the chief executive of the division.

The person we are looking for must be dynamic, entrepreneurial and highly self-motivated and will want to be involved in the division's managerial decisions as well as its financial decisions. This is a first class opportunity to join a varied and diverse division of a fast expanding group.

The position is based in Brentford, Middlesex, and the applicant must be prepared to travel within the U.K. and overseas. Qualified candidates who are experienced accountants and have industrial experience should write immediately with full c.v. to:—

Mr J. E. Tuke, Chief Executive  
Tozer Kemsley & Millbourn Automotive Services & Property Division  
991 Great West Road, Brentford, Middlesex TW8 9ED

## Financial Director

— Major High Technology Plc

**c. £80,000  
Negotiable**

**Car, Share  
Options,  
Relocation**

**MIDLANDS**

The requirement is for an individual of considerable personal presence and stature to assume overall financial responsibility for a highly acquisitive quoted company. Essential prerequisites are a proven track record within a £100 million plus turnover organisation and experience at main board level.

We seek applications from ambitious, energetic self starters with the confidence and ability to instantly command the respect of a well-established group finance organisation. Of equal importance is City

credibility since it is envisaged that the company will grow beyond recognition in the foreseeable future, leading to considerable exposure at the highest level of financial institutions.

It is unlikely that candidates currently earning less than £60,000 per annum would be sufficiently experienced and it is desirable to appoint a Chartered Accountant within the mid-30's to mid-40's age range. The remuneration package will be directly related to experience and will exceed the stated figure if necessary.

For immediate reaction to your suitability, submit a comprehensive career resume to Andrew Carter at the Birmingham address below quoting reference FT 256.

CONFIDENTIALITY GUARANTEED

Technical, Sales & Management Appointments

**Specialist Computer  
Recruitment Ltd**

11 THE SQUARE, BROAD STREET,  
BIRMINGHAM B15 1AS  
TELEPHONE: 021-631 4030

LONDON  
01-935 0671/488 0461

MANCHESTER  
061-835 0427

BRISTOL  
0272 277641

BRUSSELS  
010-322-640 7151/71

## FINANCIAL PLANNING & PROJECTS MANAGER

**N. W. London Late 20's**

Retail has proved to be one of the fastest growing sectors over the past few years. The substantial competition within this market has created unsurpassed opportunities for applying financial skills to a marketing environment. A requirement has arisen for a professionally qualified individual to cover the following areas:

- Production of annual corporate plans including monitoring results against targets.
- Appraisal and review of major projects including new business opportunities, and the identification of areas of profit improvement.
- Operations and Management, incorporating the preparation and maintenance of a programme of planned systems developments, aimed at improving quality of output and productivity.

**£Negotiable + Car ACA, ACCA**

Applicants must have commercial experience preferably gained within a major corporation, although not necessarily within the retail sector. Due to the high profile nature of this position, and the extensive exposure to non-accounting management, the personality and motivation of the applicant is of paramount importance.

The company is dedicated to an ongoing programme of expansion and consequently applicants should expect rapid advancement within the group.

Interested applicants should telephone Mark Gilbert on 01-930 7850 or, write enclosing brief details to the address below.

**ROBERT • WALTERS • ASSOCIATES**

RECRUITMENT CONSULTANTS

66-68 Haymarket London SW1Y 4RF Telephone: 01-830 7850

## R H Associates

Accountancy Recruitment  
Consultants

## ARE YOU A HIGH FLYING ACCOUNTANT WITH YOUR FEET ON THE GROUND?

**Business Analyst**

**Central London**

**c£20,000 + Benefits**

**Interested ?**

Ring Kieran Carter on 01-379 4668  
(out of hours on 01-530 2878)  
or send your CV

A market leader in their sector and respected worldwide, our client has the reputation as one of the most successful and influential companies involved in innovation and technology. With a turnover exceeding £3bn the company continues to expand both organically and through acquisition.

As a result of promotion, an opportunity now exists for an exceptional newly qualified accountant within the Corporate Headquarters.

Your key responsibilities will focus upon the critical review and evaluation of substantial investment proposals and existing projects. As a result of preparing and presenting your recommendations, you will liaise directly with the Board and senior managers both at corporate and operating subsidiary level.

This being a high profile position, where initiative, ambition and commercial flair will not go unnoticed, your career path is mapped out to take you eventually into a senior line management role.

You are likely to have experience of a large company environment, be qualified and aged under 30. Your communication skills will be excellent, but most important you will be ambitious for success and committed to a challenge.



18 Exeter Street, London WC2E 7DU  
Telephone 01-379 6668 Fax 01-379 0487



# GROUP FINANCE DIRECTOR WORLDWIDE CONSULTANCY

The PA Consulting Group is an international management and technology consultancy of unique ambit and scale. In 1986, worldwide revenues exceeded £120 million, earned from twenty two countries in Western Europe, Scandinavia, North America, Asia and Australasia. Some 45% of revenues were derived from strategic, operational and personnel services to management and the remaining 55% from technology, computing and manufacturing consultancy.

PA is in the second year of a five-year programme designed to enhance further our position in the international consultancy business, and meet the changing competitive challenge of our business in the 1990s. We plan to double our worldwide revenues within that five-year period, a goal which has substantial investment and funding implications.

We seek to appoint a Group Finance Director to replace the present incumbent, who is taking up another appointment within the Group. The position offers an experienced, commercially astute and ambitious chartered accountant the opportunity to manage and direct a financial strategy appropriate to our future needs.

**PA**  
PA Consulting Group

The ideal candidate, probably in his or her early forties, will combine a high level of personal and professional authority with the energy and adaptability to work within, and influence, a strong and progressive main Board. Previous experience within an international group is essential, and should have covered corporate finance, treasury and acquisition affairs.

The importance of this appointment is such that the remuneration package will ensure that we attract the right candidate. Attractive executive benefits will apply. It is unlikely that anyone earning a basic salary of less than £60,000 will have the necessary experience, though the successful candidate could be earning considerably in excess of that figure.

Candidates should apply in writing to A J Foden, Group Chief Executive, PA Consulting Group, 38 Hans Crescent, London SW1X 0LZ.

A fast growing and successful public company require a highly qualified

## FINANCIAL DIRECTOR

£38,000 package - West Midlands

This is an outstanding opportunity for a high calibre person to join a young motivated team engaged in the engineering sector. The company has recently extensively modernised its plant and equipment and has a most exciting future. The successful FCA will probably be between 34 and 42, and able to demonstrate an impressive track record. An engineering background would be an advantage but more important is the ability to direct the highly qualified financial team and thus be able to play a full part as a member of the Board formulating company strategy and business development.

Please write with full c.v. to The Chairman,

Box A0585, Financial Times  
10 Cannon Street, London EC4P 4BY

## Taxation Manager Expanding Property Group

Thames Valley c.£27,000 + Car + Benefits

Our client is a well known respected name in the property development and investment sector. The company has achieved impressive and sustained growth in recent years, and now seek to recruit a group taxation manager to assume responsibility for the company's tax affairs.

The role offers an opportunity for candidates who relish involvement in commercial decision making. Directing the attention of senior management to the tax implications of business proposals, you will play a significant role in the company's development.

The successful candidate will be a graduate ACA

qualified with a major firm of accountants, or commercial concern. Having specialised in corporate taxation you will now be looking for a high profile challenge within a stimulating environment. Property company experience and exposure to international tax and VAT is advantageous but not a prerequisite. The remuneration package is excellent with significant benefits provided to the right candidate.

For further information please contact Chris Nelson on 01-831 2000 (evenings and weekends on 01-785 6545) or write to him at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.



**Michael Page Partnership**

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide  
A member of Addison Consultancy Group PLC

## Audit Manager (Partnership Potential)

Up to £25,000 + car

Our client is a very highly respected medium-sized practice based in Central London.

The right candidate will initially assume manager status handling a varied portfolio that includes some of the practice's most prestigious clients. Consequently this is a high profile role within the practice, which has realistic partnership potential in the short to medium term.

The candidate will ideally be under 32

years of age with experience of dealing with large and small corporate and professional clients. Some insurance experience would be an advantage, but is not a prerequisite.

If you have the potential to reach partnership level within a top thirty practice, contact Michael Risley on 01-831 2000 or send a C.V.

for his attention to  
Michael Page Partnership,  
39-41 Parker Street, London WC2B 5LH.



**Michael Page Partnership**

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide  
A member of Addison Consultancy Group PLC

## SHIRE TRUST FINANCIAL CONTROLLER

Shire Trust was set up one year ago to bring high quality merchant banking services to medium sized companies. We specialise in both corporate finance and corporate banking and are a Licensed Dealer in Securities and a Licensed Deposit Taker.

Due to growth over the last year we can now offer an excellent opportunity for a newly or recently qualified Graduate ACA seeking a first move out of the profession.

The new position of Financial Controller will report directly to the Managing Director, Corporate Banking and will be fully responsible for financial and management accounting, tax and the establishment of systems and

procedures. Further staff will be recruited as required. This job offers an opportunity to develop an understanding of the financial sector but a candidate with some bank auditing experience would have a flying start.

We are looking for a self starter who can grow with the Company; a later move to other areas of the business such as banking or corporate finance is not ruled out.

We offer an attractive salary in addition to the usual banking benefits and a company car. In the first instance please contact the Company's adviser Greg Ripley at Robert Half, Freeport, Roman House, Wood Street, London EC2B 2JQ. Telephone (01) 638 5191.

## INTERNAL AUDITOR

CITY

c.£25,000, Fully Financed Car

Our client already occupies a significant position in the Lloyds Insurance Market. Backed by the resources and expertise of a major financial institution, they intend becoming pre-eminent. This is a NEW APPOINTMENT, primarily responsible for reviewing, evaluating and approving procedures and controls covering UK departments, and overseas units, of our client. Specifically this will include introducing and implementing a formal Procedures Manual and verifying compliance through spot reviews, vetting computer systems and controls, and on-going liaison with the parent company and external auditors in all matters relating to control standards.

You should be a qualified accountant or career auditor, with experience of the insurance industry. The position requires self-discipline, sensitivity and highly developed communication skills.

To apply, please send a CV, or write or telephone for an application form to, John Kitchen, at the address below, quoting reference G1494.

**BIS**

**Applied Systems**

SEARCH & SELECTION SERVICE

BIS Applied Systems Limited,  
20 Upper Ground,  
London SE1 9PN.  
Tel: 01-633 0866.

## FINANCIAL CONTROLLER

London c.£22k + Car

Our client is a highly innovative graphic design and printing company using some of the most advanced technology in the world. With annual turnover in excess of £1m and making substantial profits, the company is able to boast an impressive blue chip client base.

Continuing, rapid expansion has created the opportunity for a high calibre, qualified accountant to join this successful company as Financial Controller.

Reporting to the MD, you will be responsible for the day to day running of the finance function, providing the MD with essential management information to ensure the continuing success of the business. One of your first tasks will be to introduce a computerised accounting system. You will also be expected to manage a planned restructure with a view to taking the company to the market in the future.

This is an exceptional opportunity for an ambitious person to join the dynamic management team of a highly successful company. Candidates must be self-motivated, results orientated, with excellent communication and social skills and able to demonstrate sound commercial acumen. Experience with computerised financial and management control systems is essential. The opportunity exists for the right candidate to become Finance Director in due course.

Applications, in writing, giving full career resume, salary history and daytime telephone number to Mandy Davies:

**ROBSON RHODES**

Chartered Accountants

Management Consultancy Division  
186, City Road, London, EC1V 2NU.

## Financial Controller The Law Society

London £25,000 to £30,000

The position is that of senior financial officer in an undertaking with annual expenditure of about £12m across a range of interests from publishing to charitable trusts. In addition cash and investments call for a treasury and fund management function running up to similar sums.

The Financial Controller will report to the Assistant Secretary General (Management) upon all financial and management accounting, budgeting, planning, investments, cash management, taxation, annual accounts, and consolidations and financial DP facilities.

Candidates must be qualified, preferably Chartered Accountants, and have a good all round knowledge of commercial accounting including taxation combined with departmental management capacity. Some exposure to the audit or financial management of professional bodies is an advantage but certainly not vital. It is particularly important that candidates are technically strong and can demonstrate an ability to present logically, clearly and persuasively. Candidates are expected to have at least 5 years' post-qualification experience. Age range is from 28 upwards.

Salary will be based on age and experience with other benefits available. Please forward in confidence a full CV with current salary and quoting reference LM900 to Terry Fuller, Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.



**Spicer and Pegler Associates**

Executive Selection

An excellent opportunity for a young accountant . . .

## Financial Controller High Technology Market

to £22,000 + car

Designing, marketing and selling a range of highly regarded software and hardware products, our client is undergoing rapid expansion in both the UK and its international markets. With turnover of £10 million and very profitable, the company is developing new products and is forecasting continuing growth.

Based in Central London and reporting to and working closely with the Financial Director, the Controller will be responsible for the full accounting function. He or she will manage

the further development of computerised systems, prepare and analyse information and be closely involved in all areas of asset management. Prospects for increased responsibility are considerable.

In their mid to late 20s, applicants should be qualified accountants ideally with experience gained in industry or commerce.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/52/LF.

**Lloyd Management**

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

## Appointments Advertising

£43 per single column centimetre  
Premium positions will be charged  
£52 per single column centimetre

For further information call:

01-248 8000

Daniel Berry Ext 3456

Tessa Taylor Ext 3351



## Appointments Advertising

£43 per single  
column centimetre  
Premium positions  
will be charged £52  
per single column  
centimetre

For further  
information call:  
01-248 8000

Daniel Berry  
Ext 3456

Tessa Taylor  
Ext 3351

## Financial Director

**£40,000 + Substantial Bonus  
+ Car**

Our client is a prestigious retail division (T/O c50m) within a major and highly profitable UK plc. The Financial Director will have total responsibility for the finance, data processing and distribution departments. The key tasks will be to ensure tight financial controls, improve management information reporting systems and, as a member of the executive team, ensure that the future expansion plans are implemented. Candidates should be graduate accountants, age indicator 30-35, with experience within consumer/service companies which are marketing driven. It is essential that candidates have the personal qualities to succeed and progress within the group where career

progression is not confined to the financial area. The attractive remuneration package includes a significant bonus and good fringe benefits. Please write or telephone enclosing full resume quoting ref: 137 to: Nigel Hopkins FCA, 97 Jermyn Street, London SW1Y 6JE. Tel: 01-839 4572

**Cartwright  
Hopkins**

FINANCIAL SECTION AND SEARCH

## ACCOUNTING FOR CHANGE

Corporate Audit      Accounting Development  
£25 - 30K + car, bonus etc      London based

Chloride Group is a £300m turnover British owned international company operating in the energy, electrical and electronic sectors. After a period of market rationalisation and consolidation, we are now well placed to plan for growth. Our recently appointed Finance Director is building a small central team which will play a major role in the thrust to change the corporate culture.

We are looking for two senior members of the team who will both be capable of influencing the management of the Group as a whole and who will have the breadth and capacity to move into a Finance Director position within a subsidiary in a couple of years or so.

The first job reporting to the Finance Director is Corporate Auditor. The main emphasis of this role is to ensure that the Group is managed in the most effective and efficient way by reviewing and appraising the soundness, adequacy and application of both management and financial controls, the efficiency with which the Group's assets are employed and the quality and effectiveness of business activities. A comprehensive understanding of modern audit techniques is essential.

The second job, Manager Accounting Development, which will report to the Group Controller, will primarily be responsible for ensuring that Group financial control, reporting and accounting systems and procedures are developed and operated in a manner which allows Group management to be able to monitor and control the profitable growth of the business.

Applicants for both positions should be Qualified Accountants probably educated to degree level with at least five to seven years post qualification experience. A background in a major industrial company which has well recognised and understood financial planning and control systems is essential. Salary will be negotiable and around £25-30,000 per annum. In addition, there is an excellent benefits package including car, petrol, private medical insurance and a significant performance bonus. Relocation will be offered where appropriate.

Applicants, both male and female, should send a brief CV with details of current salary to George Bramhill, Resourcing & Development Manager, Chloride Group plc, 130 Wilton Road, London SW1V 1LQ.

**CHLORIDE**  
THE ELECTRICAL ENERGY COMPANY.

## SENIOR CREDIT CONTROL MANAGER

ROSENDALE, LANCASHIRE  
c.16K + Car + Med. Ins. + Pens.

Micro Peripherals Ltd, one of the UK's most successful importers and distributors of computer printers, is actively seeking a dynamic, enterprising and totally committed professional to lead our dedicated and experienced credit control team to even greater achievements.

The successful candidate will have an established and outstanding track record in credit control within the computer industry or similar and will be able to display an appreciation of the importance of increasing sales, coupled with fast cash collections. The post holder will be responsible for all aspects of the credit control function, from setting credit limits to litigation, and, most importantly, reduction of the average debtor day.

This position would ideally suit an aggressive, career minded and highly motivated professional, who is not intimidated by responsibility or challenge and who would like to work within a company where achievement is rewarded and opportunities for self advancement abound. Minimum educational qualifications are a pre-requisite and applications are welcomed from those who have studied and attained formal qualifications, for example with the Institute of Credit Management. Interviews will be held at our northern office, in Rawtenstall, Lancs.

For further details and in strictest confidence please contact the undersigned:-

M/s Laurie O'Brien  
Human Resource Manager

MICRO PERIPHERALS LTD  
Intec 2, Wade Road, Basingstoke, Hants  
RG24 0NE  
Basingstoke (0256) 473232 Ext. 220

## Company Accountant/ Assistant Secretary Insurance City

c.£30,000 plus Car

Substantial growth from this insurance holding company has resulted in the need to strengthen the head office accounting team. The Group secures a large proportion of current business from the USA and future expansion plans will develop market opportunities in Europe and Hong Kong. A first class service and a comprehensive range of specialist insurance facilities are offered to clients.

Reporting to and assisting the Head of Finance, the successful candidate will be responsible for a full spectrum of financial and management accounting packages and some company secretarial duties, and will be assisted by a small well motivated team.

Applicants are invited from suitably qualified Accountants aged between 30 and 40 who will have experience of financial service industry accounting and company secretarial requirements. Excellent communication ability and good interpersonal skills are essential.

The attractive remuneration package includes a company car, contributory pension scheme, BUPA and Life Assurance cover.

Interested candidates should send a comprehensive curriculum vitae, details of current salary and a daytime telephone number to Andrew Sales FCA, quoting ref LM902 at Spicer and Pegler Associates, Friary Court, 65 Crutched Friars, London EC3N 2NP.



**Spicer and Pegler Associates**  
Executive Selection

## INTERNAL AUDIT MANAGER

Investment Banking      New Zealand

Our client is a leading New Zealand investment banking group with headquarters in New Zealand's capital, Wellington.

An Internal Audit Manager is required who will set up and run the department from scratch. Duties will be broad-ranging and varied including the review of new, revised and existing systems and the examination of testing and security procedures. There will be a requirement to work closely with the external auditors.

Applicants must be chartered accountants willing to emigrate to New Zealand. Aged around 35, applicants must possess banking audit experience gained either while in the accounting profession or as a senior internal auditor in a bank.

Remuneration is negotiable according to experience and qualifications. Full international removal expenses will be paid.

Applicants are particularly sought from those interested in a permanent relocation to New Zealand, but we shall also be interested to hear from experienced auditors who would prefer a fixed contract.

Please write, in confidence, to Douglas G Mizon, Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU, quoting reference E/347/M.

**EW Ernst & Whinney**

## FINANCIAL CONTROLLER

GOOD OPPORTUNITY FOR A YOUNG ACCOUNTANT  
NEWPORT GWENT

c.£18,000 plus car, usual benefits and profit share

A young, qualified accountant who wishes to gain valuable experience is required for an expanding private company. The successful applicant will be in the age range 25 to 35, energetic, self-motivated and able to work under pressure.

His responsibilities will not only include day to day control of the general financial reporting and forecasting functions but he will also be involved in a more supervisory and management role within the company, reporting directly to the managing director.

Knowledge of computer-based accounting systems is essential. Salary will be flexible for the right candidate.

Please reply with curriculum vitae to:

Mrs Angela Reid  
BEECHWOOD HIRE LIMITED  
Wharf Road, Newport, Gwent  
Telephone 0633 54046

## International Appointments

## MARTIN BIERBAUM AUSTRALIA LIMITED

(A member of the Martin Bierbaum group)  
AUSTRALIA  
POSITIONS AVAILABLE

### FORWARD FX BROKERS

We have vacancies for two experienced brokers on our new forward desk in Sydney, Australia. Successful applicants will be able to operate in all forward markets with the major emphasis being \$Australian.

### SPOT FX BROKERS

We require a spot broker with 2-3 years experience for a challenging position on our spot currencies desk, also in Sydney, Australia.

### REMUNERATION

In all cases will be negotiable dependent upon experience and ability.

All replies will be treated in the strictest confidence and interested parties should phone:

Mr Peter Thomson  
c/o R. P. Martin plc  
4 Deans Court, London EC4 V5AA  
Tel: 01-600 8691

## Group Financial Controller

Circa £23,000 plus bonus plus car plus benefits

Millbrook Furnishing Industries Limited is a rapidly expanding private company intending to float within the next 3 years.

The Group currently employs over 500 people and is involved in a wide range of complementary contract activities such as flooring, joinery, scenery production, furniture renovation, building and ship refurbishment as well as manufacturing leather and soft upholstery, bedding, dining room and office furniture.

The Group's achievements are the product of an active acquisition programme as well as organic growth, and these policies will continue to be pursued.

As a result a challenging and demanding position has arisen with responsibility for the supervision of the financial functions, monthly management accounts, forecasting and statutory accounts, as well as involvement in acquisition reviews and the implementation of new computer systems. Reporting to the Financial Director, the successful applicant will be a qualified accountant with 2-3 years past qualifying experience. Applicants should write, in complete confidence, enclosing a detailed curriculum vitae, to:

Mr S. D. Toft  
Financial Director  
Millbrook Furnishing Industries Limited  
Stephenson Road  
South Hampshire Industrial Park  
Totter, Southampton SO4 3YR



## CHIEF ACCOUNTANT London

Age: 30-40      Up to £30,000 + car

This is a new position in a group of companies in the property development field.

Reporting to the Managing Director as a key member of the management team, the Chief Accountant will be responsible for cash flow, the cash flow of development projects, review of systems, staffing and organisation of the finance function, production of financial and management accounts and regular reports on development projects.

Candidates must be Chartered Accountants, preferably with a degree, in the age range 30-40 and should have financial experience in property development and investment. This could have been obtained either in a property development company, a financial institution or the accounting profession.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2799 to W.L. Tait, Executive Selection Division.

**Touche Ross**  
The Business Partners

Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HR.  
Telephone: 01-353-7361

## Group Financial Controller

c.£25,000

Our client is a leading firm of Consulting Engineers with an established presence in the Middle and Far East. Continued success of the enterprise will rely on the sound advice and considerable expertise provided by their existing team of financial specialists.

Someone is now needed to head up that team.

The appointment carries overall responsibility for the UK accounts department, office services, insurance and pensions, together with functional responsibility for the Financial Controllers in overseas locations. Consequently, the personal authority, integrity and communication skills you can contribute will be vitally important.

You should be a qualified accountant, probably in your 30's with a minimum of 5 years' commercial experience, ideally in a service environment. In addition to a salary that will match your talents our client is offering a full range of benefits including 5 weeks holiday, an attractive pension scheme and free life assurance.

Please send your c.v. to Paul Ballard at Austin Knight Selection, 17 St. Helen's Place, London EC3A 6AS or telephone 01-628 5021 for an initial discussion or application form, quoting reference 743/PB/87. Closing date: 7th July, 1987.

**Austin  
Knight  
Selection**

## Financial Director (Designate)/ Company Secretary

### Northern Home Counties

Our client, a contracting subsidiary of a UK group, seeks a commercially experienced and qualified Accountant. Reporting to the Managing Director, the successful candidate will be responsible for all Financial, Treasury and Company Secretarial matters as well as assisting in the formulation of commercial policies.

Experience of working within a contracting environment is desirable, as is experience in the running and development of in-house computerised systems.

Salary is negotiable but will fully reflect the importance of the position. Benefits are excellent.

In the first instance, please forward a c.v. to Ref RMM 730,

**ROBERT MARSHALL ADVERTISING  
LIMITED**  
44 Wellington Street, London WC2E 7DJ.

## Financial director designate

Insurance broking  
City, c.£35,000



For an established Lloyds insurance broker which is part of a substantial commercial group. The company is in the early stages of a major rationalisation and business development programme and, as an important element of the process, seeks to strengthen its senior management team by the appointment of a strongly commercial accountant to lead the finance function.

Working closely with the Managing Director you will take responsibility for the entire financial function. You will be expected to play a leading role in the further development of the business, particularly in planning and analysing opportunities for growth and acquisition. Initially the emphasis will be on enhancing the computerised system and the establishment of substantially improved management information systems for profit improvement, performance monitoring and control.

A qualified accountant aged in your early 30s, you must have a good working knowledge of the insurance broking industry and have previous line management experience. Business orientated, you should have experience of project/acquisition appraisals, while knowledge of computerised accounting systems in an insurance environment is essential.

This is an exceptional opportunity for a young accountant to make their mark in a turnaround situation.

Résumés, including a daytime telephone number, to: Torrance Smith, Ref. TS721.

Coopers  
& Lybrand  
Executive  
Selection

Coopers & Lybrand  
Executive Selection Limited  
Shelley House 3 Noble Street  
London EC2V 7DQ  
01-606 1975

## SENIOR INTERNAL AUDITORS

Middle East US\$30,000 - US\$50,000 p.a.

A major financial institution in the United Arab Emirates seeks Internal Auditors.

Candidates must be qualified accountants, ACA or ACCA, and have relevant post-qualification experience within the profession or in a financial institution. Knowledge of computer auditing will be an advantage.

The Contract will be for 2 years initially, renewable thereafter. Salary will be negotiable and free of local tax. Free accommodation and other substantial benefits will be provided. Details will be discussed at the interview.

The successful candidates will be involved in the audit of portfolios of securities, commodities and real estate, and the supporting treasury and accounting functions. The work also entails the evaluation of the adequacy and effectiveness of systems and controls and the preparation of detailed reports.

Please send a comprehensive career résumé, including salary history and daytime telephone number, quoting ref. 2800 to W. L. Tait, Executive Selection Division.

**Touche Ross**  
The Business Partners

Thames Inn House, 3/4 Holborn Circus, London EC1N 2HB. Telephone: 01-353 7361.

## GROUP INTERNAL AUDITOR LONDON £40-45,000

Our client is an international London-based financial and banking institution. The expansion of its international audit team involves the recruiting of a

who will handle the more complex aspects of independent, interfield audits of assets, direct and contingent liabilities, lines of business, operations and activities within the bank's European branches and affiliates.

In order to assure the audit-committee in New York on an ongoing basis he will not only evaluate the internal operational procedures but be involved in the more complex assessments of the firm's financial exposure risks. Acting as a trouble shooter, he will be in charge of the reporting activities to the management, shareholders and external authorities. He will also act as an advisor to define appropriate sampling and modern auditing techniques and conduct the introduction of EDP audit systems on IBM 4300.

Reporting to the Group Internal Auditor Europe in Geneva, the incumbent will be responsible for supervising and training his group of professionals. Fluent in English and French, the ideal candidate will preferably be a chartered accountant or have a similar educational background with a sound experience in an international financial environment and proven managerial skills.

For further information, please contact:

Jimmy Klein  
**PEAT, MARWICK, MITCHELL & CO. S.A.**  
P.O. Box 138  
1211 Geneva 25  
Tel.: (022) 47 82 00.

**PEAT  
MARWICK**

Ferranti Computer Systems Ltd

Wythenshawe Division

## Divisional Finance Manager

Excellent package + car North West

Our client is a Division of Ferranti Computer Systems Limited, which is a wholly owned subsidiary of Ferranti plc. The Division operates almost entirely in the commercial market, producing computer systems developed for a wide range of applications including industrial process control, SCADA, power stations, communications and information, in addition to marketing stand-alone equipment.

The Division has an annual turnover of some £70 million and now wishes to appoint a Divisional Finance Manager responsible to the General Manager for all accounting procedures, processes and financial matters within the Division.

Applications are invited from qualified accountants with experience of computer based accounting and control systems gained in a commercial environment, where

short and long term contract cost accounting has been required. Experience of dealing with overseas organisations would be an advantage.

The successful candidate will be expected to make a significant contribution to business management in exchange for an excellent comprehensive remuneration package which includes assistance with necessary relocation expenses.

Interviews will be held throughout the UK. Please send details of your career quoting reference 5872/FT to: John Kay, Human Resources Division, Grant Thornton Management Consultants, Heron House, Albert Square, Manchester M2 5JD.

**FERRANTI**  
Selling technology

## MANAGEMENT ACCOUNTANT

Age 30 - 40 years

London

Our client, a quoted company in the commercial industrial sector, whose turnover has increased from £½ million to £50 million within the last four years, is currently expanding through organic growth and acquisition, and now requires a Senior Accountant to join them in the London Headquarters.

Reporting directly to the Chairman, the role will be one of trouble shooting for recently acquired companies: introducing, installing and maintaining effective financial disciplines and controls within the group, together with strategic involvement on potential acquisitions. You will also be involved in the supervision of the group audit.

Ideal candidates will be ACA's with experience in a dynamic commercial environment: possibly as a divisional accountant in a large/medium sized company. This is an unusual opportunity to be part of a small management team committed to the success and growth of the company.

For further details please write or telephone in strict confidence, quoting ref. RB2030, to:

Tel: 01-248 8346 - (from 29-6-87 01-256 5611)

Rochester  
Recruitment  
Limited

25A College Hill  
London EC4R 2EP  
Telephone:  
01-248 8346

## FINANCE MANAGER BOARD POTENTIAL

High technology start-up  
Berkshire

c £25,000 plus equity  
plus car and benefits

Xenova is a new U.K. biotechnology company founded in 1984. The company is developing a leading-edge position in pharmaceutical discovery and has secured finance from impeccable UK and European sources. Xenova has been established around a small but highly experienced management team which combines excellent scientific and commercial expertise.

The rapid development now planned demands the appointment of a strong professional as Finance Manager to develop the company's financial and management support systems. The successful candidate will be a qualified accountant with broad business experience, able to thrive in the environment of a small high-growth company. He/she will make a major contribution to the strategic development of the company, and a future Board appointment is envisaged.

This position will appeal to an experienced Accountant now ready for the challenge of building a new company with an experienced, highly motivated management team. The benefits include a Salary indicator of £25,000, equity participation, a car and company pensions and health insurance schemes.

Please write including CV to:-

Clive Crooks  
Managing Director  
Xenova Ltd  
548 Ipswich Road  
Slough SL1 4EQ  
Berkshire

**XENOVA**

## FINANCE DIRECTOR

Finance director required by distributor of sports goods. Responsible for finance and personnel functions, reporting directly to M.D.

Candidates must be qualified accountants, aged up to 45, with experience of distributive trades and micro/minor computer based systems. Excellent remuneration including fully expensed car.

Please send full cv including present salary to:

Managing Director  
**POLYTRADE LTD**  
Unit 6  
Sergeant Industrial Estate  
102 Garratt Lane London SW18

## FINANCIAL CONTROLLER

Cambridge

c.£25k + Bonus + Car

Our client is a division of a major US group and is amongst the world leaders with its specialist high tech products.

A controller is sought to take full responsibility for the finance and administrative functions of the company, managing a small department. As part of the executive committee, the appointee will have an opportunity to contribute to the running of the business.

Applicants must be qualified accountants aged 35-45, with sound financial experience including knowledge of US reporting requirements. Equally important are first rate managerial and administrative skills and the ability to work autonomously.

Full relocation package is available if appropriate.

Please send a brief CV to Carrie Andrews at Ernst & Whinney, Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU quoting reference F/077/A.

**Ernst & Whinney**

## Accounting Glowing for a Future

You will be expected to operate with a degree of discretion and autonomy, to liaise effectively with management at all levels and to review critically our current operating procedures. You must have a knowledge of manufacturing and project accounting and have had responsibility for preparation and presentation of management reports and executive summaries. Only candidates decisive, imaginative and committed need apply.

### Financial Analyst c£14 - 15k

Reporting to the Manager Financial Controls, you will be part of the Company's Financial Planning and Analysis team responsible for the preparation and analysis of Strategic Plans and Budgets, Executive Management Reports and the evaluation of all major tenders.

You will need the analytical skills gained from 2 - 3 years experience in the financial planning function of a high technology organisation and should be newly CIMA or ACCA qualified or working towards your finals.

Both positions offer attractive benefits packages, including relocation support where appropriate, and excellent career options within finance and general management, both within this and other STC companies.

If you are interested in one of these challenging roles please telephone for more information or send your cv to W. Wright, at STC Submarine Systems, Christchurch Way, Greenwich, London SE10 0AG. Tel 01 858 3291 ext 3844.



### Management Accountant c£18 - 19k

To be responsible to the Site Controller for both cost and management accounting, you will be a fully qualified CIMA or ACCA with some 3 - 5 years experience within a blue chip organisation.

**STC SUBMARINE SYSTEMS**

## Finance & Administration Manager

Central London  
c £23,000 plus benefits

British Museum Publications Limited is a highly successful independent company supplying specialist publishing and retail services for the British Museum.

Owing to the imminent retirement of the present postholder, the company now seeks a new Finance and Administration Manager to join at a very exciting time in its development. The retail outlets are introducing an advanced EPOS system, which integrates totally with order processing and management accounting. The business itself is showing a rapid

increase in sales volume coupled with the introduction of additional product lines.

The Finance and Administration Manager will be a key member of the management team, with total responsibility for the finance function, administration, MIS and office services.

Ideally the successful candidate will have several years' experience in a senior finance and administrative role and be a qualified accountant (in certain circumstances other qualifications will be acceptable e.g. ACIS).

Preference will be given to those over 40 who have a keen interest in history and the work of national institutions, such as the British Museum.

This position offers an excellent long term career opportunity for a commercially minded individual.

Please write with full CV and quoting reference MCS/3023 to Tracey Phillips Executive Selection Division Price Waterhouse Management Consultants No.1 London Bridge London SE1 9QL

**Price Waterhouse**

### Wanted

#### LAST YEAR

I earned in excess of £45,000 (DIRECT SALES) I am looking for a position that can offer me a similar remuneration anywhere in the world. I am 38 years old, married with 2 children. Please telephone 0636 200213 (Gn:1 first 0 if outside UK) and give me the opportunity to talk to you.

### International Wanted

#### Long experienced PRECIOUS METALS DEALER

Well-known international expert in Spot-Options- and Forward/ Futures Trading is looking for another position.

Please write to: Box A0593, Financial Times 10 Cannon Street, London EC4P 4BY

## Appointments Advertising

£43 per single column centimetre  
Premium positions will be charged £52  
per single column centimetre  
For further information, call:  
Daniel Berry 248 4782



Showing the way  
in industrial  
lasers

FERRANTI

## SECTION II - COMPANIES AND MARKETS

# FINANCIAL TIMES

Thursday June 25 1987

**WOLSELEY**  
DIVERSE  
DECISIVE  
DYNAMIC

### Battle for Harcourt clouded by new moves

By Anatole Kaletsky in New York

IN a series of legal skirmishes which added to the confusion surrounding the future of Harcourt Brace Jovanovich, the Michigan Insurance Commissioner was last night reported to have asked for a preliminary injunction to stop the company's \$3bn recapitalisation plan but later stated that the proceedings had been dropped.

On Wall Street, supporters of Mr Robert Maxwell's takeover bid for Harcourt initially hailed the injunction move as a major tactical setback for the US publishing company.

Harcourt, however, denied all knowledge of the legal proceedings, and its advisers suggested that the injunction request had already been made and rejected by the courts last week. Late in the evening, the Michigan Commissioner himself issued a statement that he had abandoned his injunction request.

These moves came at a time when analysts were still struggling to understand the implications of an earlier court ruling the US publishing house had claimed as a major victory.

In this decision, a Florida court decided that debenture holders in Harcourt were entitled to convert each of their \$1,000 bonds into 132 common shares. This was a larger number than the 294 shares to which debenture holders had been entitled prior to the company's defensive recapitalisation, announced last month.

But it fell far short of the 1,000 shares demanded by the debentures' trustee, Sun Bank and the three main bondholders.

Because the new shares will not be entitled to Harcourt's \$40 a share special dividend, the court decision appeared to imply a significant financial loss for investors who held on to their debentures.

### Amoco under pressure to improve Dome bid

BY BERNARD SIMON IN TORONTO

PRESSURE IS mounting on Amoco, the US oil company, to improve its controversial C\$5.2bn (US\$3.9bn) bid for Dome Petroleum, the debt-laden Canadian energy producer.

Despite agreeing to the offer in early April, Dome's management has privately passed the word that Amoco now has little choice but to sweeten its terms if it hopes to win the support of the Calgary company's 56 creditors.

Dome executives predict that Amoco will make an improved offer some time after June 30, the deadline set earlier for agreement in principle by the lenders.

Confirming Dome's new role as an intermediary between Amoco and the lenders, an executive at one of Dome's leading creditor banks said yesterday that the Calgary company had become "the broker in this thing now, not the principal."

Failure by Amoco and the lenders to come to terms will increase the risk of Dome, one of the world's biggest corporate debtors, being pushed into bankruptcy.

In a separate development, the Senate Energy Committee in Ottawa urged the Government to step in to re-open the bidding for Dome to other interested buyers.

TransCanada Pipelines of Toronto, whose earlier offer was rejected by Dome, has indicated that it may make a new bid soon, possibly in partnership with other oil companies.

Amoco has been careful to keep its options open. Mr Don Stacy, chairman of Amoco's Canadian subsidiary, said that "our strategy was to put the top dollar on the table." However, he added: "We don't want to be characterised as take-it-or-leave-it. We want to hear the lenders' concerns."

Amoco has held several meetings with creditor groups in recent weeks.

Amoco's room for manoeuvre has been broadened by the rise in world oil prices and North American interest rates since it made the original offer.

Amoco has offered a return of 9 per cent on US\$1.7bn worth of adjustable term notes, which form a substantial portion of its offer. According to one of the lenders, the present market rate on this type of instrument is between 10.25 per cent and 10.5 per cent.

In terms of Amoco's package of cash, notes and tradeable securities, secured creditors would be repaid an average of 89 per cent of their loans. Unsecured creditors would receive about 35 cents in the dollar. Dome owes a total of C\$6.4bn.

### Auditors' report clears VW board

By Heig Simonian in Frankfurt

THE keenly awaited report by Deutsche Treuhand, the West German accounting firm, on the role of Volkswagen's senior management in the DM 473m (\$258.5m) foreign currency fraud that hit the group earlier this year has largely absolved the company's managing and supervisory board.

The report, commissioned at the beginning of April, says VW's supervisory board carried out its legal duties correctly with respect to the company's foreign exchange trading. It also says there is no indication that VW's managing board as a whole acted in a way contrary to its legal obligations.

However, the report does indicate that financial and operational departments at board level did not use sufficiently "the necessary supervisory and control measures in all points." Mr Rolf Selowsky, VW's finance director, resigned in mid-March though he was in no way directly connected with the foreign exchange scandal.

It also confirms that the reserves, which VW has set aside for foreign exchange losses in its 1986 results, are adequate.

The findings will come as welcome news for Mr Carl Hahn, VW's chief executive, who could have been facing a rough ride at the company's annual general meeting on July 2.

Leading West German banks had been awaiting the outcome of Deutsche Treuhand's investigations before advising their clients on how to act in the formal vote of confidence in the company's board at the annual general meeting.

Deutsche Bank told clients to abstain unless the report indicated they should do otherwise while Commerzbank said they should vote for the board while leaving an escape clause if the report justified this.

### Printemps set to raise FFr 1bn for acquisitions

BY GEORGE GRAHAM IN PARIS

PRINTEMPS, the French distribution group, plans to raise FFr 1bn (\$163.3m) in new capital to finance its purchases of stakes in other companies in the retailing sector.

Mr Jean-Jacques Delort, Printemps chairman, yesterday won approval from shareholders for the fund raising, which is likely to combine a rights issue with an issue of convertible bonds and warrants.

The capital increase is expected to lead to Lazard Frères, the French investment banking group, taking a significant shareholding - about 2 per cent to 3 per cent - in Printemps. Lazard is already closely involved with Printemps in Euro-marché, the supermarkets chain in which Printemps now controls 43.6 per cent.

Mr Delort revealed that Printemps had now raised its stake in La Redoute, the leading French mailorder company, to 20 per cent, and that he planned to continue to buy shares in the market at his own initiative or at the request of La Redoute's management, which earlier this year asked Printemps to buy into its capital in the face of a possible hostile bid.

Printemps has no intention of intervening in the management of La Redoute, which Mr Delort said he regarded as one of the best managed companies in France.

The two groups will co-operate, however, starting with a joint lingerie catalogue this year and mail order catalogues overseas in 1988.

Mr Delort said the mail order companies were the only ones which at the moment had mastered the techniques of long-range retailing, which offer room for future development.

In the same sector Printemps has also taken a 12.5 per cent stake in Cadital, a newly created company which takes supermarkets grocery orders through France's Minitel videotext system and then delivers to the customer's home. Cadital is still making losses.

Printemps has also created a new financial subsidiary, Finedis, in conjunction with Sovac, a Lazard-associated banking company.

Finedis, which will not be in action before 1988, is expected eventually to take over Printemps's store credit-card operation.

Printemps has 257,000 cards in issue, accounting for FFr 1bn of turnover in the past 12 months and for 16 per cent of payments in the group's flagship department store on the Boulevard Haussmann in Paris.

Group sales to the end of May totalled FFr 3.5bn, Mr Delort said.

Printemps has 257,000 cards in issue, accounting for FFr 1bn of turnover in the past 12 months and for 16 per cent of payments in the group's flagship department store on the Boulevard Haussmann in Paris.

Group sales to the end of May totalled FFr 3.5bn, Mr Delort said.

### Opel shows first profit for 3 years

BY ANDREW FISHER IN FRANKFURT

ADAM OPEL, the West German subsidiary of General Motors of the US, is back in profit after three years of heavy losses. It expects to earn at least DM 100m (\$55m) in 1987, Mr Horst Herke, the chairman said yesterday.

"The first six months of this year have shown a clear return to the black," he said. Turnover for the full year should rise by 10 per cent to DM 16bn.

"Opel, which has invested heavily in new models and plant modernisation, aimed in the next few years to wipe out the accumulated DM 970m losses of 1984-86," Mr Herke said.

"We would certainly not object if a few fat years would follow the lean years." Asked if the profit for 1987 would be a three-figure million mark sum, he said "yes."

Last year, Opel's net loss was DM 142m against DM 135m in 1985, and DM 685m in 1984, when the metalworkers strike hit production for seven weeks.

Mr Herke said that, following the company's record investment of more than DM 4bn in the last three years, "the conditions exist for a long-term consolidation of our situation."

In 1986 Opel invested around DM 1.5bn. This year, the chairman said, the figure would drop to some DM 850m. Two-thirds of this would go on further product development, the rest on plant improvements, mostly at its Rüsselsheim headquarters near Frankfurt.

### Morgan gains control of Burlington

By James Buchan in New York

MORGAN STANLEY, the Wall Street investment bank, yesterday gained control of Burlington Industries, the largest US textile company, picking up more than three quarters of the company's stock in a \$2.16bn or \$78-a-share tender offer.

But the wearisome two-month battle for control of the company is not quite over. There are signs that a rival group, led by Mr Asher Edelman, the New York investor, has not tendered its 12 per cent stake in the company.

Morgan Stanley, which intends to offer Burlington's management a stake in its highly leveraged buy-out of the company, said that at least 78 per cent of Burlington's stock had been tendered into its offer, which expired early yesterday.

### AEG lifts 5-month sales to DM 4.25bn

BY LESLIE COLITT IN BERLIN

AEG, the West German electrical and electronics company, owned 56 per cent by Daimler-Benz, booked an 8 per cent increase in sales to DM 4.25bn (\$2.33bn) in the first five months of the year, compared with the same period in 1986.

Mr Heinz Dürr, AEG's chief executive, reporting to the annual shareholders' meeting in West Berlin, said new orders in the period fell 6 per cent to DM 4.9bn. He noted that turnover for the current year was expected to exceed last year's DM 11.2bn, which was 3 per cent higher than in 1985.

For 1986, AEG made a gross profit of DM 135m, but after special provisions the net result emerged as break-even.

Mr Dürr warned of growing protectionism and the problem of financing large projects in countries which were important AEG customers. He said the company would respond by boosting investments in order to improve its international competitiveness. The DM 600m in investments this year was 40 per cent higher than in 1986.

Mr Dürr said strengthening AEG's earnings remained a primary objective. He thanked shareholders - who cannot expect a dividend until next year at the earliest - for the confidence they had placed in the company. AEG recovered from near bankruptcy in the early 1980s, and Daimler-Benz took control early last year.

### Earnings rise sharply at Atochem

By Our Paris Staff

ATOACHEM, the chemical subsidiary of the French Elf-Aquitaine oil group, reported yesterday a sharp rise in consolidated net earnings to FFr 186m (\$7.1m) last year from FFr 46m the previous year.

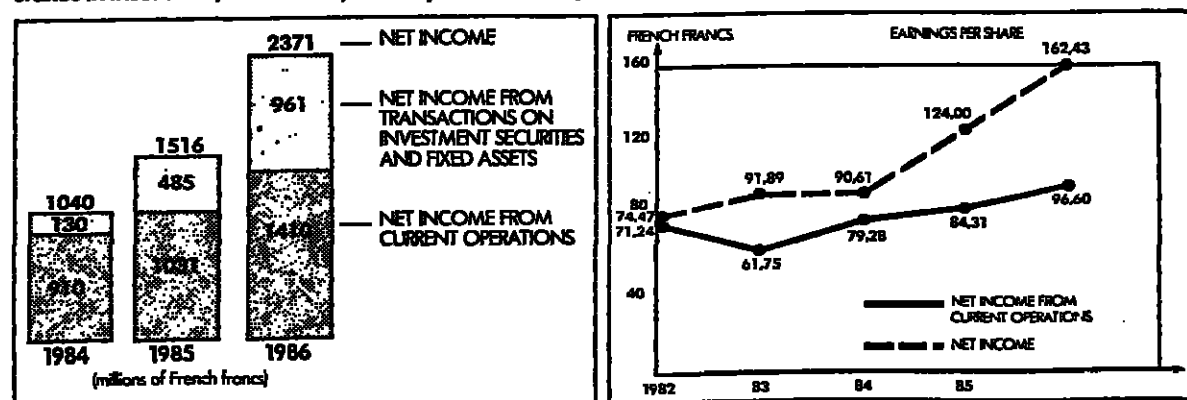
Mr Jacques Puechal, the chief executive, said first quarter profits this year had totalled more than FFr 150m, and that the company expected further growth in earnings this year.

Sales declined to FFr 19.1bn last year from FFr 23.7bn the year before, but the company, which lost FFr 1.09bn in 1983, has staged a strong recovery following major restructuring.

Mr Puechal said cash flow, which had been negative in 1983, totalled FFr 1.2bn last year. Investment rose to FFr 1.4bn last year.

## 1986 CONSOLIDATED FINANCIAL STATEMENTS HIGHLIGHTS

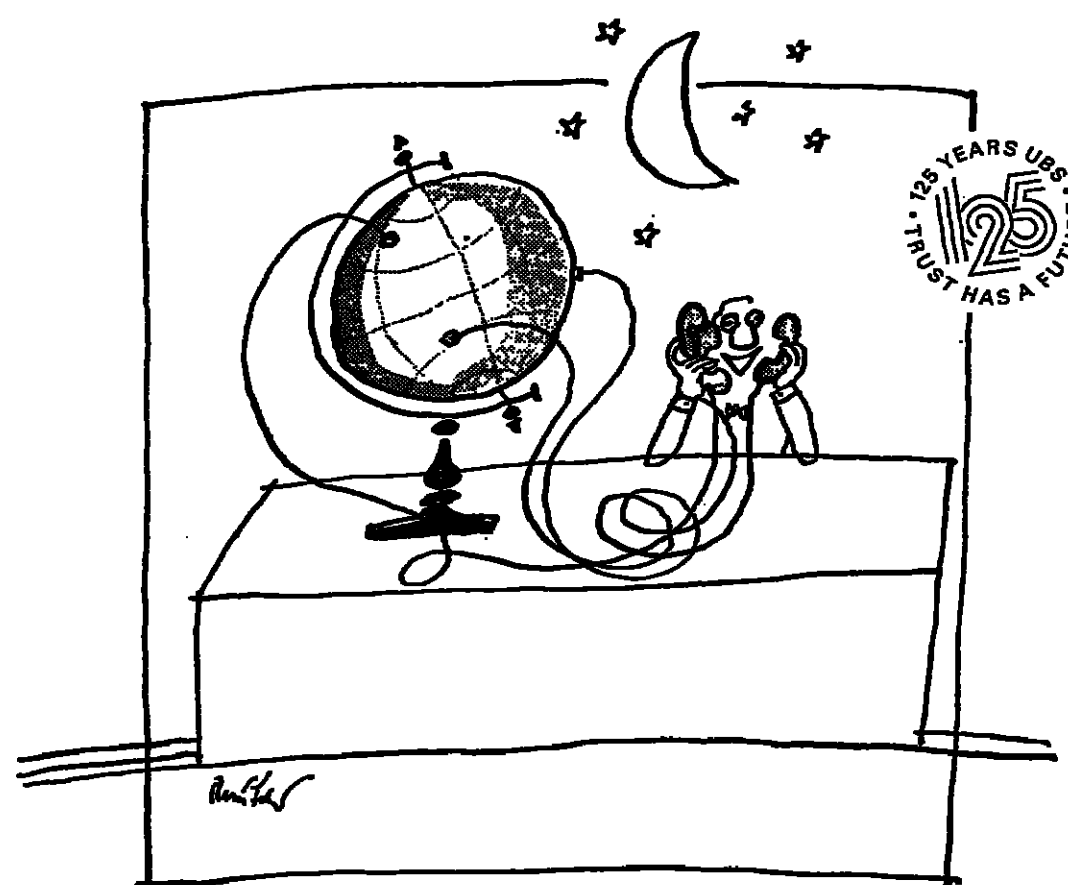
With a stock market capitalization of over 20 billion French francs, a banking network present in 65 countries, stakes in insurance, real estate, industry and services, SUEZ ranks amongst the world's premier finance groups.



**COMPAGNIE FINANCIERE DE SUEZ**

1 rue d'Astorg 75008 PARIS - tél.: 331.42.66.47.87

The value of your portfolio never sleeps. Nor do we.



Securities sales and trading call for 24-hour global presence. Talk to UBS. The leading Swiss AAA-rated bank is present, with full service operations, in all major financial centres.

UBS - Phillips & Drew Capital Markets Group  
Zurich, London, Frankfurt, New York, Tokyo,  
Toronto, Sydney  
Investment Banking on a worldwide scale



## INTERNATIONAL COMPANIES and FINANCE

## IBM claims good demand for new personal computer

BY LOUISE KEHOE IN SAN FRANCISCO

IBM claims that demand for its new personal computers, the Personal System/2 models, is very strong and that it has shipped 250,000 units since the products were introduced on April 2.

"Our production people are working flat out to meet demand, and we are continuing to ramp up production on the PS/2," Mr Bill Lowe, IBM vice president in charge of the personal computer group, told securities analysts in New York.

In an apparent effort to dispel industry rumours that the PS/2 personal computers were not selling well and that development of the new operating system program for the machines was behind schedule, Mr Lowe emphasised that demand was strong and that deliveries of

both hardware and software were at or ahead of schedule.

The operating system software, OS/2, which is being developed by Microsoft will be available "in the first quarter of 1988, or sooner," IBM said.

Executives said the company expected personal computer sales for the first half of 1987 to be significantly better than last year and projected record sales volume and revenues for the second half of the year.

In a veiled threat to would-be clones of the company's new personal computers, executives said they would protect their proprietary technology against illegal copying. Although Mr Lowe said that IBM

would maintain its "open architecture" policy, which enables others to produce personal computers that mimic IBM machines, "anyone who believes the story that we are offering our Microchannel to others has got to be kidding."

The Microchannel is an internal communications system which is a key aspect of the PS/2 designs. Several US chip manufacturers are attempting to "reverse engineer" the Microchannel. It remains to be seen whether such attempts to emulate IBM technology will be challenged.

Without the Microchannel, IBM's competitors will still be able to produce compatible personal computers that run the same software, but their performance might not meet that of the IBM machines.

## Canadian group drops car venture

By Robert Gibbons in Montreal

BOMBARDIER, the Canadian engineering group, has dropped its Venus mini-car venture with Daihatsu of Japan and will concentrate all its resources on developing its aerospace, rail transportation, defence products and snowmobile businesses.

Mr Laurent Beaudoin, chairman, told the annual meeting that the Venus project was unlikely to show a reasonable return over the short term.

Daihatsu is partly owned by Toyota, and Bombardier had spent nearly two years and several million dollars on feasibility studies for joint production of the Daihatsu Charade mini-car and the Rocky four-wheel-drive vehicle near Montreal.

A Japanese trading house recently tried to put pressure on Bombardier to go ahead, reporting in Tokyo that Bombardier was ready with a favourable response.

However, the Canadian company believes that the mini-car sector of the North American auto market is already overcrowded and that the Venus project could have been a loser.

Mr Beaudoin said later that the 50 per cent rise in the Japanese yen was a factor in Bombardier's decision. Daihatsu will introduce Japanese assembled Charades in California later this year, he said, but its North American assembly plans are now uncertain.

FRENCH GROUP BLAMES DOWNTURN ON CHERNOBYL DISASTER

## Framatome sees profits fall after 1987 despite higher turnover

BY PAUL BETTS IN PARIS

FRAMATOME, the French nuclear power plant manufacturer 40 per cent owned by the Compagnie Générale d'Electricité (CGE) group, expects net earnings to increase to FF 820m (\$150.3m) this year from FF 777m last year but then decline to FF 800m next year and FF 580m in 1989.

At the same time, turnover is expected to rise to FF 18.8bn this year from FF 13.2bn last year and then taper off to FF 13.3bn next year and FF 11bn in 1989.

Mr Jean-Claude Leny, Framatome's chairman, said the decline in sales and earnings next year re-

flected the expected slowdown of new orders in France's domestic nuclear industry, as well as the slump in exports caused by the repercussions of the Chernobyl nuclear disaster last year.

Indeed, Mr Leny said that the impact of Chernobyl was proving a far more serious problem for Framatome than the slowdown in the domestic business. While the domestic slowdown had long been expected, Framatome had hoped before Chernobyl to see its export business expand.

To compensate for the decline in its traditional nuclear activities,

Framatome is now actively looking for diversifications. The French group has a war chest of more than FF 2bn for acquisitions, and Mr Leny suggested his group could spend up to FF 5bn on a diversification move.

Framatome is also collaborating for the first time with Kraftwerke Union (KWU), the nuclear power subsidiary of the West German Siemens group, in bidding for a contract to design a nuclear reactor for Indonesia. Mr Leny suggested yesterday that co-operation between the two companies could be extended, although this was likely to take time.

In contrast to the closer ties being forged with KWU, he said Framatome had been unable so far to reach a reasonable agreement to collaborate with Westinghouse. However, Framatome is discussing co-operation with the US Babcock Wilcox group in certain specific areas.

Despite the slowdown in the French nuclear sector, Framatome's order book still totals a substantial FF 50bn, Mr Leny said. The French group also continues to have an extremely low debt level - FF 90m this year, and expected to decline to FF 70m next year, and to FF 50m in 1989.

## Consortium product from NCR

BY OUR FINANCIAL STAFF

NCR, the US computer group, has introduced a software program, called Design Advisor, that is the first commercial product based on technology developed by Microelectronics and Computer Technology.

MCT is the research consortium founded five years ago in response to fears that Japan would surpass the US in computer technology.

The product is a software program that assists in the design of computer chips, said NCR, one of the 10 companies that established MCT in 1982.

The company hailed the new soft-

ware as proof that research carried out by MCT can result in commercially viable products.

The consortium's founder saw it as the US counterpart to Japan's "Fifth-Generation" programme, a government-sponsored project aimed at extending the principles of artificial intelligence to a computer that could emulate the human thought process.

But many in the computer industry doubted that MCT's members, which are competitors in many areas, could co-operate in the devel-

opment and sharing of technology. The venture has suffered some setbacks, losing some of its members.

Yet the consortium membership, now numbering 20, includes some of the top players in the computer field, including Digital Equipment, Unisys and Hewlett-Packard, and it has a 1987 budget of \$73m up from \$65m last year.

Other consortium members such as Honeywell and Boeing began using MCT technology internally, but NCR is the first to bring a product to market.

## Polaroid forecasts turnaround in earnings

BY OUR FOREIGN STAFF

POLAROID, the US instant photography group, celebrates its 50th anniversary this year with the strong prospect of record earnings for the first time in nine years.

Wall Street analysts expect Polaroid to exceed its 1978 record earnings level of \$118.4m with profits of between \$125m, or \$4 a share, and \$140m, or \$4.50 a share.

Mr Eugene Glazer, an analyst at Dean Witter Reynolds, said: "After years and years of decline, there

are real signs of a major turnaround."

Helped by a weaker dollar, a new camera, and Eastman Kodak's withdrawal from the instant photography market, Polaroid's earnings in 1986 nearly tripled to \$103.5m after five years of meagre profits.

However, some analysts are raising questions about the long-term viability of instant photography. First created by Polaroid in 1948, consumer instant photography remains the best known aspect of the company and accounted for more

than half of its \$1.63bn revenues in 1986.

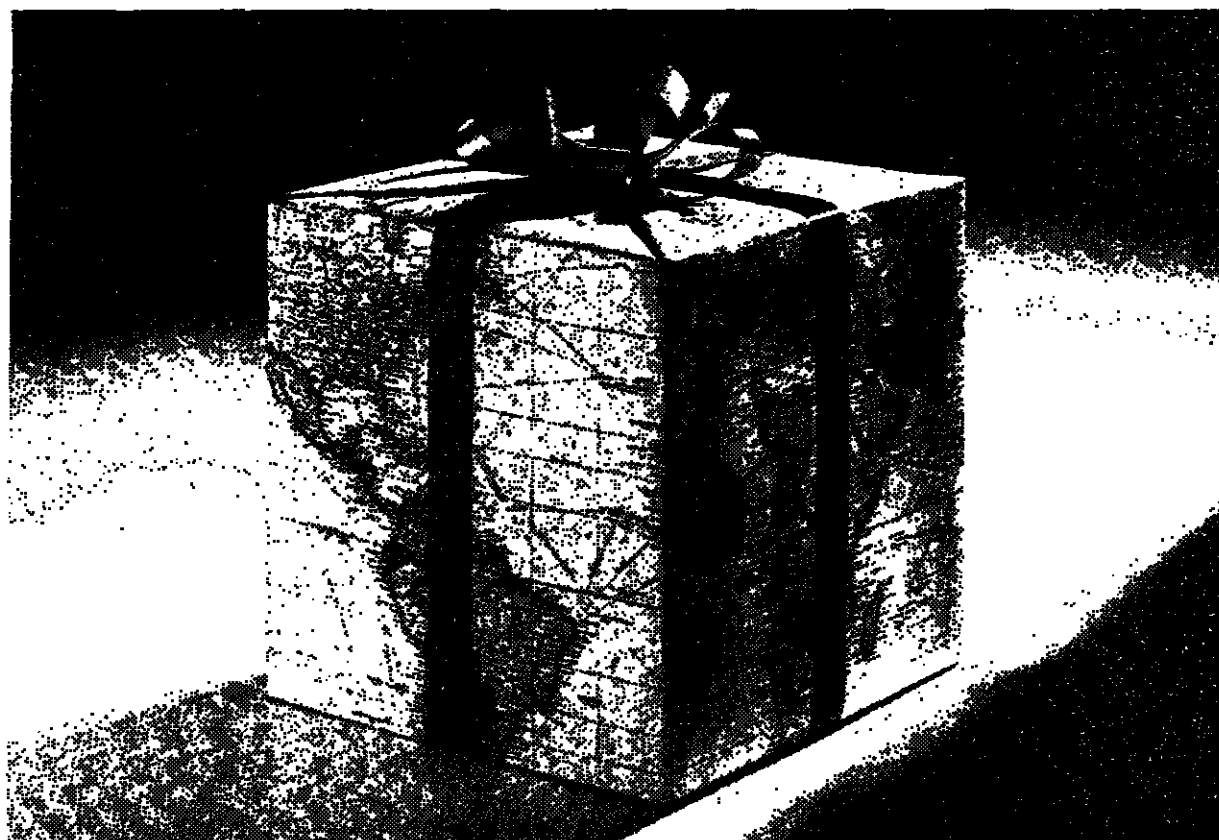
Analysts estimate that the Spectra instant camera accounted for 600,000 out of Polaroid's 4.3m camera sales last year, but many wonder how easily the number will be reached this year.

Mr Michael Ellman, an analyst at Wertheim Schroeder, said: "Polaroid is in the declining phase of consumer instant photography." Polaroid instant camera sales had declined by 10 per cent each year since 1978.

Mr Macallister Booth, Polaroid chairman and chief executive, affirmed the company's confidence in instant photography: "We believe that the biggest short-term leverage is in the amateur business. If you only have 4 to 5 per cent of the market-place, it seems to me the quickest opportunity (to increase earnings) is going from 4 to 5 per cent."

He said Polaroid would intensify Spectra marketing "to increase public awareness that Spectra is a heck of a lot better than anything we've had before."

## FINALLY. THE FIRST REALISTIC GLOBAL EQUITY INDEXES WRAPPED UP IN ONE NEAT PACKAGE.



Introducing THE SALOMON-RUSSELL GLOBAL EQUITY INDEX™ and THE SALOMON-RUSSELL NON-U.S. EQUITY INDEX™.

In one highly effective package, Salomon Brothers Inc and Frank Russell Company bring global equity managers realistic performance standards they can measure up to.

These indexes are not just another view of the global equity markets. They define the first realistic picture of the universe of international equities available for foreign investment. And the per-

formance they measure is the performance you can easily replicate because these indexes are:

## TRADEABLE

Only issues of the larger and more actively traded companies are included. All closely-held, illiquid and restricted issues are eliminated.

## CONSISTENT

Eighteen local indexes represent the non-U.S. portion of the Salomon-Russell Global Equity Indexes. The Russell 1,000 constitutes the U.S. portion. The indexes are weighted according to the market capitalization actually available to

foreign investors, thus providing for standardized and more accurate comparisons worldwide.

## FLEXIBLE

Over 700 sub-indexes provide investors with the ability to implement any global equity strategy derived from regional, country, or industry perspectives.

## FULLY-DEVELOPED

The Salomon-Russell Indexes are accompanied by an international data base of over 10,000 issues representing more than 40 equity markets worldwide. It contains valuable information on

liquidity, issuance, volatility, and ownership.

## BACKED BY SALOMON BROTHERS

When you implement an index-based strategy, you're choosing more than an index. You're choosing a firm. As part of our family of indexes, the Salomon-Russell Global and Non-U.S. Equity Indexes are supported by our research, capital commitment and unparalleled execution capabilities in markets worldwide.

For an overview of our approach to the global equity markets as detailed in our report, *International Equity Analysis*, contact Salomon Brothers.

## Salomon Brothers Inc

One New York Plaza, New York, NY 10004  
LONDON: Salomon Brothers International Limited, Victoria Plaza, 111 Buckingham Palace Road, London SW1W 0SR, England. TOKYO: Salomon Brothers Asia Limited, ARK Mori Building, 1-12-32 Akasaka, Minato-Ku, Tokyo 107, Japan. FRANKFURT: Salomon Brothers AG, Goethestrasse 10-14, Frankfurt am Main 1, Germany. ZURICH: Salomon Brothers Inc, Stadelhofenstrasse 22, 8024 Zurich, Switzerland. OTHER OFFICES: Atlanta, Boston, Chicago, Dallas, Los Angeles, San Francisco.  
Member of Major Securities and Commodities Exchanges/SIPC.

†Service marks of Salomon Brothers Inc and Frank Russell Company

## New player enters bid battle for JWT

BY CLAY HARRIS AND MICKI TAIT IN LONDON

ANOTHER player yesterday appeared to be considering whether to enter the battle for JWT, the US advertising agency, facing a hostile bid from WPP, the small UK marketing services company.

The new rival offer would be separate from a defensive plan which JWT management and Merrill Lynch, the US securities house, are believed to be considering. It would involve a break-up of JWT.

Lazard Freres, the US investment bank, was reported to be canvassing support for such an offer, but it refused yesterday in London to comment on the rumours.

Meanwhile, Mr Martin Sorrell,

WPP chief executive, and Mr Robert Lerwill, finance director, have returned to New York to press the case for their bid.

Separately, British & Commonwealth Holdings continued to try to deny speculation that it planned to use its 24 per cent owned associate, Wood Brigdale Nisbet & Robinson, the advertising agency, as a vehicle for buying into JWT.

Mr John Gunn, chairman, insisted that, if B&C was approached with an offer of parts of JWT, it would consider the question. It did not plan to take any initiative. "We are reactive in the whole thing, if anything at all," he said.

World value of the pound

every Tuesday in the FINANCIAL TIMES

## Travelling by air on business?

Enjoy reading your complimentary copy of the Financial Times when you are travelling on scheduled flights from...

... Amsterdam with British Airways, Canadian Pacific Air, KLM, Lufthansa, Pan-Am, Singapore Airlines, Thai Airways International  
... Edinburgh - Rotterdam with NLM

FINANCIAL TIMES

## Travelling by air on business?

Enjoy reading your complimentary copy of the Financial Times when you are travelling on scheduled flights from...

... Geneva with Air Canada, British Airways, British Caledonian, Lufthansa, El Al, Swissair, TWA  
... Bern - Lugano with Crossair

FINANCIAL TIMES

## NOTICE OF PREPAYMENT

The Mitsui Trust & Banking Co., Ltd. (London Branch)  
USD10,000,000  
FRCD's DUE 1988  
(callable in 1987)

Nos. F000001 to F000020  
Notice is hereby given that in accordance with the early redemption clause of the above Certificates of Deposit, the Mitsui Trust & Banking Co., Ltd. will prepare the principal amount of the above Certificates together with interest due on 6th August, 1987.  
Suzuki Monegusa & Co. Limited  
Agent Bank

## ANGLIA

£150,000,000 Floating Rate Notes 1996

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period 23rd June, 1987 to 23rd September, 1987 has been fixed at 9.33 per cent per annum. Coupon No. 4 will therefore be payable on 23rd September, 1987 at £2,351.67 per coupon on Notes of £100,000 nominal and £117.58 per coupon from Notes of £5,000 nominal.

S.G. Warburg & Co. Ltd.  
Agent Bank



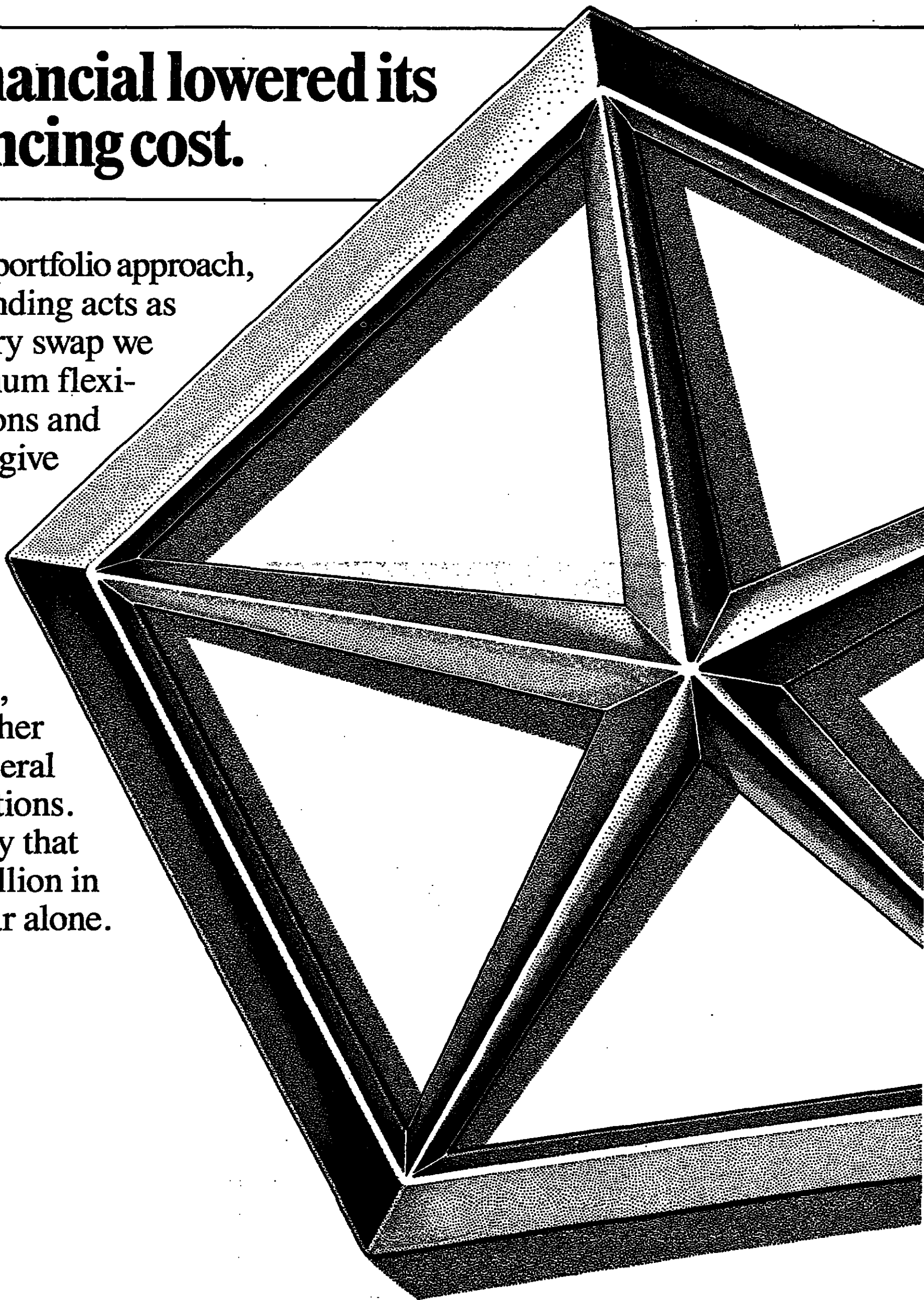
# The new name for swaps and Eurobond leadership is Prudential-Bache Capital Funding.

## How Chrysler Financial lowered its floating rate financing cost.

With an AAA rating and portfolio approach, Prudential-Bache Capital Funding acts as principal counterparty in every swap we execute. This gives us maximum flexibility in structuring transactions and lowers costs. It enabled us to give Chrysler Financial the best deal possible.

We've done the same thing using the global capital markets for Swedish Export Credit, Emerson Electric Co., Mitsui & Co. and over 300 other companies, governments, federal agencies and financial institutions.

It's this kind of capability that helped us execute over \$20 billion in swaps and Eurobonds last year alone.



## Prudential-Bache Capital Funding

Australia • Belgium • Canada • France • Germany • Holland • Hong Kong • Italy • Japan • Korea • Luxembourg • Singapore • Switzerland • United Kingdom • United States







## INTERNATIONAL CAPITAL MARKETS and COMPANIES

## \$200m Nippon Shinpan deal leads Japanese rush

BY CLARE PEARSON

EQUITY WARRANTS issues for Japanese borrowers continued to flow into the Eurobond market yesterday, even though the secondary market was still struggling to regain its poise after the sharp fall in Tokyo share prices earlier in the week.

Eurobond fixed rate bonds closed around a 100 basis point lower as the dollar weakened on remarks from the Bank of Japan suggesting that the yen was not likely to depreciate much further.

Euroyen prices, however, failed to derive much benefit from the dollar's easing, and closed between 1/2 and 1 point lower, still depressed by overnight falls in the Japanese government bond market. A recent ¥15bn bond for Ford Motor Credit was quoted at less than 100, the level of its total fees.

The most substantial of yesterday's five-year offerings in the equity warrants sector, which all carried indicated 14 per cent coupons, was a \$200m bond for Nippon Shinpan, the Japanese consumer credit concern. The deal was led by Daiwa Europe, but Nomura International is expected to arrange a \$200m Asian issue for the borrower.

Securities led a \$100m bond for Yamaguchi Pharmaceutical, which met firm demand and traded at around 99 1/2, compared with its par issue price. The other deals were a \$50m bond for Shinagawa Fuel, led by Yamachi

International (Europe), and a \$100m bond for Okumura, the construction company, led by Daiwa Europe.

Elsewhere, S. G. Warburg Securities caused a stir among the houses active in the Australian dollar market with an A\$75m 14 per cent five-year issue for GTE Finance, priced at 101 1/2.

The bond looked expensive compared with outstanding deals in the market, especially

## INTERNATIONAL BONDS

as a bond for Credit Lyonnais Australia also appeared yesterday with a 14 per cent coupon. Yet the bond traded at around 101 1/2, well inside its fees.

Dealers said they believed Warburg was carrying out a "bear squeeze" on the issue, penalising those who had made short sales after the bond's announcement.

Warburg declined to comment but it said that it had given protection (the assurance that underwriters would receive a given percentage of the issue amount) to those co-managers who had asked for it.

Hambros Bank's four-year issue for Credit Lyonnais Australia, priced at 101 1/2, originally amounted to A\$50m but was later increased to A\$75m. It traded around its 14 per cent fees.

Kreditbank led an Ecu 50m eight-year 7 1/2 per cent bond for Solvay Finance (Germany). The par-priced bond will be redeemed in Belgian francs.

In the D-Mark market, prices rose strongly helped by the weaker dollar. Thirty-year bonds were back in demand, rising by up to 1 1/2 points, and shorter-dated bonds gained around one point.

Two recent issues, for the World Bank and Canon Europa, improved by around 1 point.

In Switzerland, prices of fixed rate bonds moved slightly higher but interest again focussed on equity linked issues. A Sfr 50m 2 1/2 per cent gold warrants issue for Christiana Bank closed its first day's trading at 95 1/2, compared with par issue price. Dealers said there was little interest in gold-linked bonds at the moment.

Credit Suisse led a Sfr 100m five-year bond for Seiba Credit. The bond carries an indicated 4 per cent coupon.

Schindler, the Swiss lift manufacturer, is making an international issue of 200,000 bearer participation certificates, which will expand its equity base by about 20 per cent and is expected to raise about Sfr 170m.

The shares, which are expected to be priced on July 2 based on the close of that date, are being offered through a group of banks led by UBS (Securities). The shares closed at Sfr 850 yesterday.

## Volcker voices doubt on Third World debt provisions

By David Lascelles in Hamburg

MR PAUL VOLCKER, chairman of the US Federal Reserve, yesterday questioned whether US banks should be allowed to include their growing provisions against Third World loans in their primary capital.

According to bankers attending a closed session of the International Monetary Conference, Mr Volcker commented that these provisions did not readily fit the definition of primary capital, which was a pool of resources generally available to meet banks' losses.

Because the provisions were, in many cases, earmarked for losses to specific Third World countries they were a cost of doing business rather than a cushion against loss.

At a subsequent news conference, Mr Volcker declined to comment on the issue, though another US regulatory official said: "This is something we are thinking about."

The US banks are allowed to count their entire loan loss reserve as primary capital, which in turn dictates how large a balance sheet they may have. US banks were prepared to make the billions of dollars worth

## Alexander Nicoll explains the abrupt retreat of a market-maker Lloyds challenges the herd instinct

LLOYDS BANKS' withdrawal from the Eurobond and UK government bond markets, announced to shocked traders last Friday, dramatically challenges the herd instinct which has been drawing international banks into the securities markets.

As debt has increasingly taken the form of securities instead of loans, commercial banks have felt impelled to establish capital markets operations so that they could continue to compete for the business of their long-standing corporate customers.

Lloyds after following this trend by attempting to build a presence in securities markets, has abandoned the global approach. Though there are some big banks that have never embarked on this path, Lloyds is believed to be the first to do so and then reverse its course.

Instead, it is opting to be a niche player. The new strategy means that individual niche businesses must earn adequate returns in their own right. Both Eurobonds and gilts were deemed unlikely to be sufficiently profitable for years to come.

Mr Robert Owen, chief executive of Lloyds Merchant Bank, explaining the change yesterday, said that the decision to pull out of the overvalued Eurobond market—in which it had operated for many years though never as a major player—represented the principal element of a review of the bank's strategy in the securities field.

The decision to withdraw from the newly restricted gilts market—only eight months after Lloyds had begun operations as a primary dealer with a newly-hired team—was a logical consequence of the broader review.

"Eurobonds were perceived to be part of a securities

strategy," Mr Owen said. "If you have a securities strategy, you have to have a certain volume of products to play with, and gilts were one of those products. If you change the securities strategy away from a global approach to a niche approach, the rationale for being in gilts is substantially reduced."

The Eurobond market has seen a huge increase in competition in the past few years. Banks have been establishing capital markets operations at a fast pace—Banque Nationale de Paris, for example, recently opened a new unit in London. Over the past year, Japanese securities houses and banks have added to the overcrowding by launching an onslaught which has pushed them high up the league tables.

The competition is tougher in London because, unlike New York and Tokyo, there is no legal separation of commercial and investment banking businesses.

The cut-throat bidding for new issue mandates is such, Mr Owen says, that "the terms on which you get the issue are almost in the nature of loss leaders." He believes most Eurobond market participants are not covering their full costs.

Despite this, many banks believe they must have a presence because Eurobonds are a crucial product which they must be able to offer their corporate clients. "I think the perception is fading now—but I think it's still there—that there is a prestige about being a co-manager or lead manager of a Eurobond issue," Mr Owen says.

Lloyds had led only one Eurobond issue this year. Its trading, however, had been quite substantial at between 400 and 650 Eurobonds a day and 50 gilts, mostly driven



Mr Robert Owen: opting to be a niche player

by retail orders.

It still plans to be active in the gilts market, but has been sufficiently profitable on a stand-alone basis. Our perception was that that is unlikely for a very long time."

Pointing out that the bank can still take positions in the gilts market through the parent bank's treasury operations and act as an agent, Mr Owen challenges the common assertion that a UK clearing bank should, by its very nature, be a market maker in domestic government securities.

"What are the privileges that you really get from being a market maker in gilts which make it so imperative?" he asks. It is a question which others among the 26 remaining primary dealers will be asking themselves as they contemplate the prospect of new competition if the Bank of England admits Japanese and other firms to the market later this year.

## French plan settlement procedures reform

BY GEORGE GRAHAM IN PARIS

FRANCE'S BANKS plan a far-reaching reform of settlement and delivery procedures in the Paris bond and share markets.

New rules are to be set up compelling sellers to deliver their shares within five days of the transaction, and for payment to take place at the same time as delivery. Centralised computer systems will be installed by the end of 1988 to ensure that settlements are carried out on time.

At the same time, a system of stock lending and borrowing will be set up in France for the first time, to enable market participants to settle their transactions temporarily.

Mr Salomon Mirzahi, a partner in Arthur Andersen, the accounting and consultancy firm which has carried out studies for

the project on behalf of the French banks, said the changes proposed would solve the difficulties which had arisen because of the exponential growth in the volume of shares traded in Paris and because of the development of block trading.

Delays in settlement were too long, he said, especially for the shares where certificates still have to be issued in the name of the owner.

Some shares, such as Michelin, are notorious for the length of time that elapses after a transaction before delivery takes place.

Mr Mirzahi said the delays had been a brake on the development of market making capacity in Paris, since dealers were afraid to quote net, fully inclusive prices to their clients

when they were unsure that they would be able to take possession of the shares in time.

A new legal framework has already been passed which will allow the development of stock lending, and the main primary dealers in government bonds and bills are expected to take advantage of this to set up a stock loan system in coming months. On the main stock market, the system is unlikely to be in place before the end of 1988.

The proposals, which are to be carried through by a series of working parties under the auspices of the French banking association, are seen as the essential practical underpinning for the more general stock exchange reform planned by the French Government.

The Bill which will carry through the reform—bringing the end of the French stock brokers' closed shop and the entry of banks into brokers' capital—was approved yesterday by the council of ministers.

The Matif, France's financial futures exchange, has decided to delay until September the introduction of an option on its main bond contract.

The exchange has already defined the details of the contract and named five market makers to ensure the market's liquidity. However, Mr Gerard de la Martinière, president of the Matif's regulatory body, said it had reluctantly decided that it would not be ready to start trading before the long summer holiday.

## FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on June 24

US DOLLARS	Issued	RM	Offer	Change on	Yield
Alloy Steel 7 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 8 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 9 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 10 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 11 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 12 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 13 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 14 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 15 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 16 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 17 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 18 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 19 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 20 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 21 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 22 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 23 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 24 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 25 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 26 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 27 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 28 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 29 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 30 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 31 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 32 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 33 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 34 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 35 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 36 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 37 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 38 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 39 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 40 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 41 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 42 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 43 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 44 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 45 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 46 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 47 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 48 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 49 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 50 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 51 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 52 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 53 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 54 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 55 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 56 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 57 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 58 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 59 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 60 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 61 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 62 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 63 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 64 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 65 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 66 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 67 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 68 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 69 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 70 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 71 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 72 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 73 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 74 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 75 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 76 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 77 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 78 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 79 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 80 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 81 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 82 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 83 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 84 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 85 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 86 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 87 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 88 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 89 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 90 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 91 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 92 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 93 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 94 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 95 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 96 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 97 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 98 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 99 1/2 %	1980	94	94 1/2	+1/2	9.25
Alloy Steel 100 1/2 %	1980	94	94 1/2	+1/2	9.25



Mr Paul Volcker: remarks raise question of amending US definition of capital

of provisions they have announced in recent weeks: this did not affect their capital position.

In other countries, such as the UK, banks distinguish between general provisions, which are available to meet any losses and count as capital, and specific provisions, which cover an identified credit risk and do not.

The question raised by Mr Volcker's remark is whether the US can or will amend its definition of capital. His immediate departure from the Fed chairmanship is unlikely to abate the issue because regulatory officials such as Mr Gerry Corrigan, president of the New York Fed, are also considering it.

Some US bankers expect to see action in the months ahead, though the elimination of specific provisions from capital would have to be a gradual process to avoid shocks to the system. One possibility is that only provisions for which banks have obtained tax relief would be affected—and so far this would apply to only a small portion of the money set aside by banks for the Third World loans.

Mr John Reed, the chairman of Citicorp, which started the provisioning process with its \$3bn charge last month, said he was "greatly encouraged" by Mr Volcker's comments. Citicorp had not taken any tax benefits on its provisions, he said.

A further consideration is the divergence of practice between the US and the UK at a time when the two countries' banking authorities are trying to harmonise their capital adequacy standards.

Mr Volcker agreed that there were what he called "small problems of the definition of capital" to be resolved before the accord could be put into place. But he described them as minor and forecast that it would become operative within six months to a year.

Mr Robin Leigh-Pemberton, Governor of the Bank of England, said that banks should try to create a basket of reserves against Third World debts calculated as a proportion of their total exposure. Instead, they should assess each country individually. This was "more scientific," he said.

## MoF restricts insurers

THE JAPANESE Ministry of Finance has no plans to allow life insurance companies to start over-the-counter sales of government bonds, Reuter reports from Tokyo.

However, life insurance executives expect the ministry to allow direct sales in response to the industry's lobbying. The ministry is likely to impose guidelines

DEUTSCHE MARK		Change on				
STRAIGHTS	Issued	RM	Offer	day	mark	Yield
Alloy Steel 7 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 8 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 9 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 10 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 11 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 12 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 13 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 14 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 15 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 16 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 17 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 18 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 19 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 20 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 21 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 22 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 23 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 24 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 25 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 26 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 27 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 28 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 29 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 30 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 31 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 32 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 33 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 34 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 35 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 36 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 37 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 38 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 39 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 40 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 41 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 42 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 43 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 44 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 45 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 46 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 47 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 48 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 49 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 50 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 51 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 52 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 53 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 54 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 55 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 56 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 57 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 58 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 59 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 60 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 61 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 62 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 63 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 64 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 65 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 66 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 67 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 68 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 69 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 70 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 71 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 72 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 73 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 74 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 75 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 76 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 77 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 78 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 79 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 80 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 81 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 82 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 83 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 84 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 85 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 86 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 87 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 88 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 89 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 90 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 91 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 92 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 93 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 94 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 95 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 96 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 97 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 98 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 99 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 100 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 101 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 102 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 103 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 104 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 105 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 106 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 107 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 108 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 109 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 110 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 111 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 112 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 113 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 114 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 115 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 116 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 117 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 118 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 119 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 120 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 121 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 122 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 123 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 124 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 125 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 126 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 127 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 128 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 129 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 130 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 131 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 132 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 133 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 134 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 135 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 136 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 137 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 138 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 139 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 140 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 141 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 142 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 143 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 144 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 145 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 146 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 147 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 148 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 149 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 150 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 151 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 152 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 153 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 154 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 155 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 156 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 157 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 158 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 159 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 160 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 161 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 162 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 163 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 164 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 165 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 166 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 167 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 168 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 169 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 170 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 171 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 172 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 173 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 174 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 175 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 176 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 177 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 178 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 179 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 180 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 181 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 182 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 183 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 184 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 185 1/2 %	1980	94	94 1/2	+1/2	9.25	
Alloy Steel 186 1/2 %	1980	94	94 1/2	+1		

## UK COMPANY NEWS

## MIDDLE EAST DOWNTURN FAILS TO STEM RISE

## Hong Kong boosts C &amp; W by 15%

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

A STRONG performance in Cable and Wireless's Hong Kong telephone subsidiary was the main factor behind a 15 per cent increase in pre-tax profits last year to £340m from £295m.

This was achieved on a turnover of £913m, up by only 1 per cent from £907m in the year to March 1986, and came despite a downturn in trading profits in the group's Middle East, African and Western Hemisphere activities. In the UK, where C and W's interests are mainly concentrated on Mercury, the recently-formed public telephone network operator, the group lost £4m, exactly the same as in the previous year.

Mr Gordon Owen, Mercury's managing director, forecast that the division would move into profit during the next six months, and said that it had plans to launch a national private residential subscriber service in the near future. Last year, Mercury's operating costs exceeded revenue by £19m against £15m in 1986. This figure was close to expectations, despite the increase in costs caused by the rapid expansion of demand in the City arising out of the deregulation of the Stock Market.

The company said the downturn in the Middle East, Indian



Brian Pemberton, chief operations officer of Cable and Wireless, at the press conference yesterday

Ocean and African region, where sales fell to £58m from £60m, and trading profits from £35m to £27m, was caused by the generally difficult economic conditions in the region. In the Western Hemisphere division, where sales fell to £235m from £223m, and profits to £31m

from £33m, the results had been affected by narrow margins in the US telephone business. Commenting on the status of C and W's attempts to try and break into the Japanese market, Mr Brian Pemberton, chief operating officer, said the outlook seemed to have improved

after encouraging comments from Mr Yasuhiro Nakasone, the Japanese Prime Minister, and pressure on the Japanese from the US. Prospects of an agreement on C and W's original terms were "high," he said.

Interest costs fell last year to £20m from £27m after interest and other income increased as a result of the rights issue in March 1986 and profits from the sale of shares received as scrip dividends from the Hong Kong Telephone Company. The scrip issue sale realised gains of £8m, while exchange gains on the repayment of overseas loans generated another £8m. The company added that pre-tax profits were approximately £34m lower than they would have been at the previous year's exchange rates.

After a tax charge down to £73m from £80m, the profit attributable to ordinary shareholders increased to £244m from £180m, with earnings per share up by 14 per cent to 25p from 19.5p. Directors are recommending a final dividend of 3.5p a share against 3p, making a total dividend for the year of 5.55p, an increase of 17 per cent over the 1986 dividend of 4.75p. See Lex

## An end to GPG dispute in sight

By Hugo Dixon

A resolution of the dispute between Guinness Peat Group, the financial services concern, and its largest shareholder, Equiticorp, the New Zealand investment company, seems likely following Guinness Peat's decision on Tuesday to invite two of Equiticorp's nominees on to the board.

Equiticorp, run by Mr Allan Hawkins, the corporate raider, has built up a stake of 28 per cent in Guinness Peat through Capitalcorp, its Hong Kong subsidiary. It originally wanted three of its nominees on the board — Mr Hawkins, Mr Grant Adams, chairman of Capitalcorp, and Mr Peter Hunt, its managing director. Earlier this month, after what Mr Hawkins described as "procrastination" by Guinness Peat, it issued a notice requesting an extraordinary general meeting of the group's shareholders to achieve its purpose.

The board of Guinness Peat has now formally invited Mr Hawkins and Mr Adams to join it, but not Mr Hunt. A spokesman for Guinness Peat said: "Mr Adams and Mr Hawkins are both fairly senior people in their own right. Mr Hunt, who is much younger, we don't know in sufficient depth."

Capitalcorp welcomed the invitations in a statement issued yesterday, but will not make a formal response until next board meeting.

"We understand these invitations are conditional only upon Capitalcorp withdrawing its requisition of an extraordinary general meeting," it said.

Guinness Peat said an earlier condition which would have required the new directors to agree to the group's overall strategy before joining had been dropped.

## AEC suspended

Dealings in the shares of American Electronic Components were suspended yesterday at 3.51p following a request from the USM-quoted company.

Stockbrokers are expecting an announcement tomorrow concerning AEC's future — they did not rule out the possibility that a bid was about to be made for the company.

## Lord Cayzer sees new era at B &amp; C

BY CLAY HARRIS

LORD CAYZER, retiring after 30 years as chairman of British and Commonwealth Holdings, told shareholders yesterday that a "new exciting era" was beginning and that they could view the future with confidence.

Trading throughout the group was performing in line with budgets. "We have set ourselves new horizons and are confident of achieving them," Lord Cayzer said.

His final address as chairman only came two days after the announcement that Caledonia Investments, controlled by the Cayzer family, would reduce its stake in B & C from 31.3 per cent to 4.9 per cent by selling shares back to the financial services and industrial group for £427.5m.

The deal would "enable Caledonia and B & C to pursue their own separate courses of development with vigour, whilst offering the opportunity for enhanced rewards to the remaining shareholders of B & C."

His successor as chairman, Mr John Gunn, estimated that the deal, which will involve the cancellation of 90m of the company's 324m shares, would improve earnings per share by more than 10 per cent each year starting in 1988.

Mr Gunn said that B & C had shelved plans to introduce outside capital into Bricom, the division set up to hold its non-financial activities, because "it could have opened us to potential criticism that we had sold something off too cheaply or too soon."

Lord Cayzer turned aside criticism from one shareholder about the disparity between B & C's contribution of £91,500 to the Conservative Party and its total charitable donations of £76,000 last year.

He had already welcomed the result of the general election, telling shareholders: "It has seemed clear to me that to support the policies of the Conservative Party was in the best interests of us all."

## Sherwood pays initial £0.5m for Mitronix

By Philip Coggan

Sherwood Computer Services, the USM-quoted computer bureau and software company, has announced details of its acquisition of Mitronix Computing, a computer systems supplier, and of the establishment of a new company, Sherwood Network Services.

Initial consideration for Mitronix will be £445,000 satisfied by the issue of 147,848 ordinary shares, of which just under 59,000 have been conditionally placed with institutions at 370p each. Further payments will also be in shares and will be dependent on future profits.

In the year to September 30, Mitronix made pre-tax profits of £75,000 on turnover of £900,000.

Sherwood will subscribe for 568 B shares in Sherwood Network Services, 64 per cent of the equity, while 283 A shares will be retained by directors and major shareholders of Mitronix. Sherwood has an option to buy the A shares in 1991.

## Molex pays £4.2m for 6% stake in Dubilier

BY NIKKI TAIT

Molex Inc, the large Chicago-based electronics group, has agreed to put up £4.2m for a 6.01 per cent stake in Dubilier, the electronic components and connectors manufacturer, following a distribution agreement between the two companies.

To cement the marketing link, Mr Fred Krehbiel, executive vice-president of Molex, will join the Dubilier board as a non-executive director. Shares in Dubilier added 12p to 204p yesterday.

Under the deal, Dubilier's connector products will be sold through Molex's marketing and distribution network. This will have particular benefit in areas where the British company currently has no representation, such as the Far East, maintains

Mr Chris Bean, Dubilier's managing director. He estimates that the effect of the deal in three years could be to add £10m to sales.

In the year to end-September 1986, Dubilier reported turnover of £35.4m.

Molex will acquire its stake by subscribing for 2.1m shares at 200p. It has undertaken not to sell the shares for two years and not to increase its holding beyond 9.9 per cent within the same period.

Molex itself is traded on NASDAQ in the US and is also listed in Paris and London. It manufactures and distributes a range of electrical and electronic devices and in the nine months to end-March 1987 had sales of £282m (£176m) and pre-tax profits of \$55m.

## Richards (Leicester) price climbs after 29% switch

BY NIKKI TAIT

SHARES in Richards (Leicester), a holding company with interests in engineering and foundries, jumped 25p to 150p yesterday on news that a long-established 28.9 per cent stake in the company has changed hands.

The shares have been held for the past 10 years by Stainborough Securities, an investment company. One of its directors, Mr Gordon Bramah, has a non-executive post on the Richards' board. They have now been sold to two associated companies — Tair Financial, which is based in Houston, Texas, and will hold 20.65 per cent, and Fexon, a London-based company, which takes the remaining 8.28 per cent.

Yesterday, neither Mr Bramah nor any other direc-

tor of Richards was available for comment. However, the company's brokers, Smith Keen Cutler, said they understood that both were investment holding companies, representing the private interests of a couple of individuals working in the oil industry.

The brokers added that they believed the shares had been bought as an investment, and although board representation might be sought there was no current intention to make a full bid.

Richards was loss-making in the early eighties, has been back in profit for the past two years and has returned to the dividend list. In 1986, it made £233,697 before tax on sales of £8.4m. At the current price, it is capitalised at £2.6m.

## FINANCIAL TIMES SURVEY

## South Africa

New Publication date Friday, July 10

Information on advertising can be obtained from:

HUGH SUTTON

Tel: 01-248 8000 Ext 3238

Financial Times, Bracken House

10 Cannon Street, London EC4P 4BY

MINING EQUIPMENT • BUILDING PRODUCTS • RAIL TRACK EQUIPMENT • LICENSED TRADE EQUIPMENT

## PRELIMINARY RESULTS

	To March 1987	To March 1986	Change
Profit before tax	£42.2m	£28.8m	+ 47%
Profit attributable	£31.2m	£19.8m	+ 58%
Earnings per share	29.6p	18.8p	+10.8p
Dividend	13.0p	11.5p	+ 1.5p
Net worth	£521m	£385m	+ 36%

## "CONTINUED GROWTH FROM CHARTER"

The strong profit performance reflects continued growth and sustained progress towards the achievement of acceptable returns from the whole Charter group. Further action has been taken to dispose of low yielding passive investments, and to eliminate or restructure businesses showing inadequate returns. The financial resources of the group are very strong and Charter is well placed for further development.

**CHARTER**  
Charter Consolidated PLC

Copies of the preliminary results are available from the Company Secretary Charter Consolidated PLC, 40 Rotherham Viaduct, London EC1P 1AL.

MANUFACTURING • CONSTRUCTION • MINING • INVESTMENT

MINING EQUIPMENT • BUILDING PRODUCTS • RAIL TRACK EQUIPMENT • LICENSED TRADE EQUIPMENT

This notice complies with the requirements of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") and does not constitute an offer of, or invitation to subscribe for or purchase, any Bonds.



## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Issue of  
£200,000,000

9¼ per cent. Bonds Due 2007

Issue Price 98¾ per cent.

The following have agreed to subscribe or procure subscribers for the Bonds:

Baring Brothers & Co., Limited

Algemene Bank Nederland N.V.	◆ Banque Paribas Capital Markets Limited
Barclays de Zotte Wadd Limited	◆ County NatWest Limited
Credit Suisse First Boston Limited	◆ Daiwa Europe Limited
Deutsche Bank Capital Markets Limited	◆ Generale Bank
Goldman Sachs International Corp.	◆ Hambros Bank Limited
Hill Samuel & Co. Limited	◆ Kleinwort Benson Limited
Lloyds Merchant Bank Limited	◆ LTCB International Limited
Merrill Lynch Capital Markets	◆ Samuel Montagu & Co. Limited
Morgan Grenfell & Co. Limited	◆ Morgan Guaranty Ltd
Nomura International Limited	◆ Orion Royal Bank Limited
Salomon Brothers International	◆ Security Pacific Hoare Govett
J. Henry Schroder Wagg & Co. Limited	◆ Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited	◆ S. G. Warburg Securities

Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the Official List. Interest is payable annually in arrears on 20th July, the first such payment being due on 20th July, 1988.

Particulars relating to the Bonds and International Bank for Reconstruction and Development (the "Bank") are available in the Extel Statistical Services. Copies of the Extel Card relating to the Bonds dated 24th June, 1987, comprising the listing particulars required by the Financial Services Act 1986, and the Extel Card relating to the Bank dated 4th June, 1987, containing the Bank's annual accounts for the year ended 30th June, 1986 and unaudited accounts at 31st December, 1986, are available up to and including 9th July, 1987 (29th June, 1987 in the case of the Company Announcements Office of The Stock Exchange) from:

Baring Brothers & Co., Limited  
8 Bishopsgate  
London EC2N 4AE

Baring Wilson & Watford  
8 Bishopsgate  
London EC2N 4AE

Company Announcements Office  
The Stock Exchange  
London EC2P 2BT

25th June, 1987



## UK COMPANY NEWS

## Strong advertising helps Anglia TV to 26% rise

Anglia Television, the independent television contractor for the east of England, yesterday announced a 26 per cent increase in pre-tax profits to £5.3m for the first half of the financial year after a period of buoyant advertising revenues. During the period, Anglia, like all the other ITV companies, benefited from the healthy increase in television advertising. It succeeded in outperforming the rest of the industry, however, by increasing its revenue by 14.2 per cent compared with an average of 12.8 per cent for the network.

Mr David McCall, chief executive, said Anglia had benefited from both the "aggression of its sales force and from the expansion of Anglia as a region. He said that the advertising market was still "bullish" and that the company was confident that this strength would be sustained.

In the six months to April 30, group turnover grew to £39.76m (£35.13m) and operating profits to £13.48m (£11.48m). The company's subscription to Channel 4 increased to £5.58m (£5.27m) and its contribution to the Exchequer levy on ITV profits to £2.56m (£1.98m).

Oxford Scientific Films, an associated company which produces specialist natural history programmes, contributed a loss of £26,000 (£25,000) although Mr McCall expects to see it return to profit next year.

Although the taxation rate fell slightly, Anglia paid an estimated £1.92m (£1.59m) in tax. Earnings per share rose to 21.25p (£17.85p) and its contribution to pay an interim dividend of 4.5p (£3.75p).

Anglia mounted a rights issue in January to raise £8.5m in order to finance its proposed investment in BSB, the British direct broadcast by satellite project. It benefited from the interest on the rights proceeds during the first half, but in the second half it will pay the first instalment on the £10m to be invested in BSB over the next three years.

● **comment**

Unfortunately for Anglia the City's love affair with the television sector is over. In the last year or so television stocks have boomed, fuelled by a buoyant advertising market, a flurry of floatations and a clement political climate. Advertising revenue should slow down in the summer months and the floatations have ground to a halt. But it is the political problems — the threat of devolution for Channel 4, input from independent producers and, above all, the forthcoming Broadcasting Bill — which have changed City sentiment. On fundamentals Anglia's prospects are fine. Rising revenue and a second half fillip from overseas programme sales should whisk profits to £10.5m. Anglia's shares, on a prospective p/e of 11.5 at 48p, should hold steady but there is scant upward scope given the state of the sector.

## Buckley's directors meet with Brodian

By Nikki Tait

Directors of Buckley's Brewery, the small Welsh brewer which has seen a number of major stakes change hands recently, yesterday travelled to London's Savoy hotel to meet its latest shareholder, Brodian.

Brodian — which purchased its stake from Bestwood, the property and financial services group, two weeks ago — represents Mr Peter Clowes and Mr Guy Cramer. Both men are directors of James Ferguson, a former shell being built into a financial services company, though they say that this is unconnected with the quoted concern.

Both sides said afterwards that the meeting had been extremely amiable, and that some general ideas had been discussed. The more thorny issue of a board seat does not appear to have been raised. Buckley's, meanwhile, is due to hold a board meeting later.

● **comment**

Both sides said afterwards that the meeting had been extremely amiable, and that some general ideas had been discussed. The more thorny issue of a board seat does not appear to have been raised. Buckley's, meanwhile, is due to hold a board meeting later.

## Holden Hydroman

An offer by BBA for shares of Holden Hydroman is worth 290p per share. Holden Hydroman share, based on yesterday's closing prices. Holden Hydroman closed up 10p to 290p. This paper.

## Billingsgate City in bid talks

BY PAUL CHEESBRIGHT, PROPERTY CORRESPONDENT

TRADING IN the preference shares of Billingsgate City Securities stopped yesterday when it was announced preliminary talks were taking place that could lead to an offer.

Billingsgate is the only London-registered single asset property company. In June 1986 it issued three layers of securities — the preference shares, currently capitalised on the market at £30.05m, a deep discount first mortgage debenture stock and ordinary shares. A bid for the preference shares would be a preamble to a bid for the whole company. All the ordinary shares are held by S. & W. Berisford, the commodities group, and any buyer of the preference shares could be expected to start talks with Berisford about purchase of the ordinarys.

The price would be Midland

Montagu House, an office building by the River Thames in the City of London. This was valued at £78m a year ago when Billingsgate was set up as a vehicle to acquire the freehold from Berisford, the original owner of the building.

The only market-makers in Billingsgate preference shares, which are quoted not in London but Luxembourg, are Goldman Sachs and Baring Brothers. But they have also been retained as advisers to Billingsgate in the bid talks and have thus ceased to act as market-makers. They intend to make alternative arrangements for trading the shares.

Before trading stopped the preference shares were at 116.5p, compared with an issue price of 100p. There are 25.794m in issue.

The rise in the price since

the issue and the payment of a 4.5p dividend last month means an annualised return of 20 per cent on the original investment.

Goldman Sachs and Baring Brothers would not disclose the identity of any potential buyers of the Billingsgate preference stock, but it seems likely that they would be institutions seeking a City property investment or property companies seeking to widen their asset base.

The value of the building, given the march of City property prices over the past year is likely to be substantially in excess of £78m, suggesting the preference shares would have to be bought at a premium over their current market price. But the possibility of a Billingsgate takeover has an implication going beyond the property transaction itself.

The Billingsgate preference shares would have been brought back to London from Luxembourg to become the first securities for trading on the Stock Exchange's new market for single asset property vehicles.

If the current bid talks succeed that will not take place, thus putting back the start of the new market probably until the autumn. If they fail, Baring Brothers explained, then the original intention will be carried through.

Trading in single asset property company securities and in property income certificates became possible when, last May, the Stock Exchange settled its listing requirements. So far no buildings have been offered to the market.

## BPP £3m bid for Mander Portman

BY DAVID WALLER

BPP Holdings, the USM-quoted accountancy tutor and publisher, yesterday bid £3m for Mander Portman Woodward, a private tutorial college based in South Kensington.

MPW has forecast pre-tax profits of no less than £300,000 on turnover of £1.8m for the year to June 30 while BPP made pre-tax profits of £625,000 on turnover of £2.8m in the year to December 31.

The initial £3m consideration is to be satisfied by the issue of 978,000 new BPP shares at 315p. Of these, 385,000 will be retained by the vendors and the balance placed by Kleinwort Greaves for cash.

A deferred payment of a maximum of a further £500,000 in cash is also payable, related to BPP's future turnover. BPP proposes to place a further 400,000 shares to raise

£1.00m, after expenses. This has been earmarked to satisfy the deferred payment, refurbish the company's headquarters, and provide working capital.

BPP's existing shareholders will be offered a claw-back facility which will entitle them to apply for new shares in the proportion of three shares for every ten held.

BPP's shares rose 15p to close at 350p.

## Bridgend runs up £0.36m loss

Bridgend Group, manufacturer of electronic and security products and distributor of commercial vehicles and parts, swung from profits of £217,000 to losses of £336,000 in 1986. The final dividend is being passed leaving shareholders with 0.2p (0.35p) for the year. Woodward, the motor vehicle and parts distributor, suffered from uncertainty surrounding Leyland and bus deregulation.

## Highest overall bid failed to win ABP for Pearson

BY RAYMOND SNOODY

LORD BLAKENHAM, chairman and chief executive of Pearson, the publishing and entertainment group which owns the Financial Times, claimed yesterday that the company had failed to win the bid auction for Associated Book Publishers despite putting in the highest overall bid.

The contest for ABP, publisher of legal textbooks and Adrian Mole was won last week by International Thomson of Canada with a bid of 730p a share, valuing the company at nearly £210m.

"Overall ours was the highest bid," Lord Blakenham told an international media conference in London yesterday organised by stockbrokers Laurence Prust. It is believed that the Pearson offer was 745p a share, around 100p a share ahead of the third contender Gulf and Western.

The Pearson offer was, however, a mixture of cash and shares and the Eyre Family Trust, which controlled 36.9 per cent of ABP, chose the straight cash offer from International Thomson.

"So the full body of the shareholders didn't have the opportunity to consider Pearson paper," Lord Blakenham said.

Earlier Mr Kevin Maxwell, standing in at short notice for his father, Mr Robert Maxwell, chairman of BPCC, suggested that BPCC would not renew its bid for Harcourt Brace Jovanovich, the US educational publisher, whatever the cost.

"I will not pay any price for a company carrying debt or intending to carry debt like an albatross around its neck," Mr Robert Maxwell said.

## Glynwed in £6m acquisition

Glynwed International, the fast-growing industrial group, is buying Hub and Gillespie (Holdings) for £6m. H and G, which is based in Edmonstone, is the largest specialist stockist in the precision/mechanical welded steel-tube market but also has interests in steel manu-

facturing and in the distribution of architectural aluminium sections. H and G employs 240 people and had sales last year of about £20m. Consideration will be in cash, with £1m deferred for 12 months.

## DIVIDENDS ANNOUNCED

	Current payment	Date	Corresponding dividend	Total last year	Total this year
Anglia TV	4.5	Sept 22	3.75	11.35	11.35
Booth Indus	2	—	—	—	—
Bridgend	nil	—	0.35	0.35	0.35
A. F. Bulgin	3.1	Aug 28	0.1	3.2	3.2
Cable & Wireless	3.5	Oct 2	5.55	4.75*	4.75*
Charter Control	9	Aug 6	7.75	13	11.5
Chelsea Man	£2.1	Aug 24	2.9	—	—
Danase Inv	3.5	—	3.15	5.81	5.25
DDT Group	1.2	Sept 7	1.2	1.2	1.2
Hardys & Hansons	6.2	—	5.6	11.8	18.7
Kewill Systems	£1.5	—	1.2	1.2	1.2
James Latham	10.5	—	9.25	18.5	14.25
Leigh Interests	£2.75	Sept 25	2.45	4.15	3.75
MK Electric	8.3	—	7.4	12	10.8
Spice	£1.2	Aug 14	0.26	—	2.13

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Third market.

## GRANVILLE SPONSORED SECURITIES

High	Low	Company	Price	Change	Gross Yield	P/E
172	133	Ass. Brit. Ind. Ord.	172	+ 2	7.5	4.2
168	145	Ass. Brit. Ind. CULS	168	—	10.0	6.0
30	34	Amitec and Rhodes	38	—	4.2	11.1
80	87	BBB Design Group (USM)	76	—	1.4	1.8
277	215	Bardon Hill Group	277	—	5.3	1.9
168	95	Bee Technologies	168	+ 1	4.7	2.8
183	130	CCL Group Ordinary	183ad	+ 3	11.5	8.3
128	98	CCL Group 11pc Conv. Pref.	123	—	16.7	12.8
146	138	Carbonium Ord.	146	—	5.4	3.7
94	81	Carbonium 7.5pc Pref.	82ad	—	10.7	11.6
108	87	George Blair	106	—	3.7	3.5
143	119	Isla Group	120	—	—	—
135	119	Jackson Group	135ad	—	6.8	5.0
385	321	James Burrough	385ad	—	18.2	4.7
97	86	James Burrough 8pc Pref.	97	—	12.9	13.3
780	510	Multihouse NV (Ames)	510ad	+ 10	—	20.2
427	361	Record Ridgway Ordinary	427	—	1.4	—
82	82	Record Ridgway 10pc Pref.	82ad	—	14.1	17.2
91	80	Robert Jenkins	80	—	—	3.5
110	42	Scruttons	110	+ 1	—	—
176	141	Torday and Carlisle	176ad	—	6.8	3.4
410	321	Trevian Holdings	410	+ 5	7.9	1.9
122	73	Unilock Holdings (SE)	108	—	2.8	2.6
165	115	Walker Alexander	163	—	5.0	3.0
139	150	W. S. Yeates	139ad	—	17.4	8.9
116	86	West Yorks Ind Hosp (USM)	105	—	5.5	5.2

Granville & Company Limited  
8 Lower Lane, London EC3R 8EP  
Telephone 01-621 1212  
Member of FIMBRA

Granville Davies Coleman Limited  
27 Lower Lane, London EC3R 8DT  
Telephone 01-621 1212  
Member of the Stock Exchanges

## Public Works Loan Board rates

Years	by EPT	by EPT	Non-quota loans A* repaid at maturity	Non-quota loans A* repaid at maturity
Over 1, up to 2	91	91	104	104
Over 2, up to 3	91	91	104	104
Over 3, up to 4	91	91	104	104
Over 4, up to 5	91	91	104	104
Over 5, up to 6	91	91	104	104
Over 6, up to 7	91	91	104	104
Over 7, up to 8	91	91	104	104
Over 8, up to 9	91	91	104	104
Over 9, up to 10	91	91	104	104
Over 10, up to 15	91	91	104	104
Over 15, up to 25	91	91	104	104

\* Non-quota loans A are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

# CABLE AND WIRELESS ANNOUNCE PRE-TAX PROFIT OF £340m.

The following extracts are from the statement issued by Sir Eric Sharp CBE, Chairman and Chief Executive of Cable and Wireless plc. This statement accompanied the announcement of the Group's results for the financial year 1986/87.

ANNUAL RESULTS	1987 £m	1986 £m
Turnover	912.9	907.0
Profit before taxation	340.5	295.0
Profit attributable to members of parent company	215.4	179.5
Dividends	56.5	48.3
Earnings per share	22.0p	19.3p
Dividends per share	5.55p	4.75p
After tax return on average net assets	23.4%	23.6%

"In an increasingly competitive environment, pre-tax profit has increased by 15 per cent from £295m to £340m despite a strengthening of sterling by almost 10 per cent against the Group's major trading currencies."

"Significant progress has been made towards the establishment of the Group's major corporate objective of a global digital telecommunications network connecting the primary economic and financial centres of the world."

"Mercury, the Group's 100 per cent subsidiary, is one of the major industrial undertakings

in the United Kingdom since the Second World War. As a fully established international carrier, Mercury now provides services worldwide and has secured agreements with many international carriers."

"The introduction of telex, paging and Centrex services all contribute to the widening range of choice which Mercury can provide to telecommunication users."

"In Hong Kong the network operated by Hong Kong Telephone Company (HKT) is

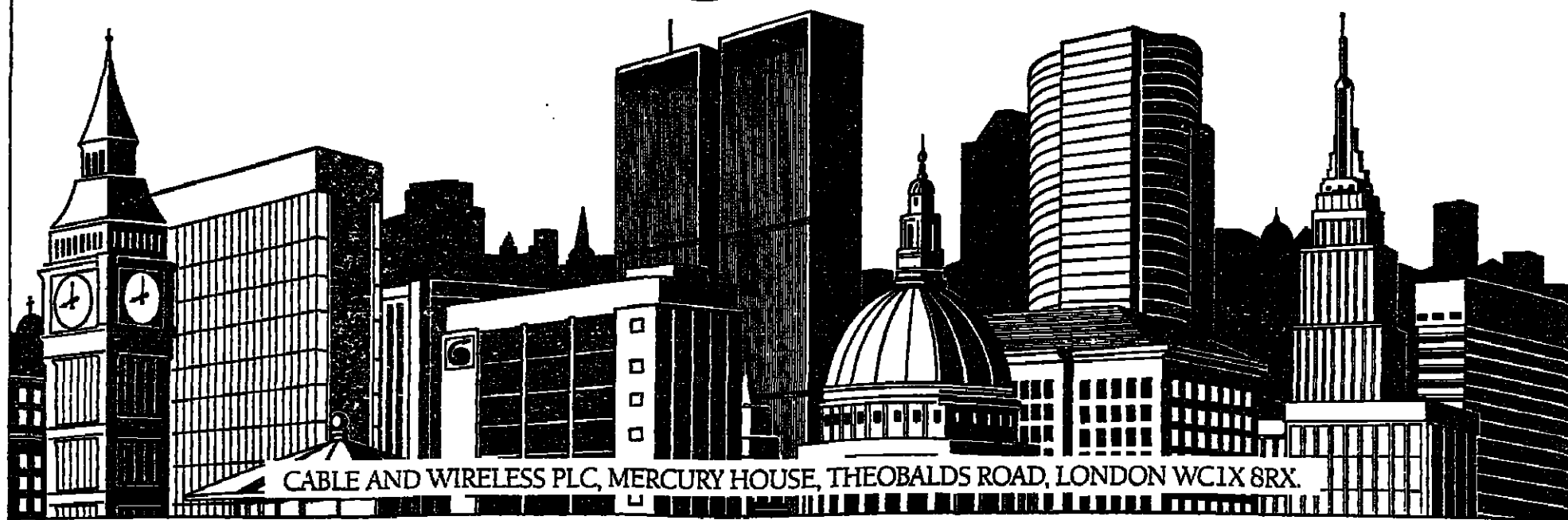
rapidly developing towards an all-digital state. HKT now operates a highly customer-orientated digital network which is one of the largest urban networks in the world."

"Our private trans-Atlantic cable (PTAT) project has made significant progress. The contract for its manufacture was awarded in November, 1986."

"In keeping with our global strategy, and in addition to our London and Tokyo listings, we have obtained listings on stock exchanges in Hong Kong, Frankfurt, Basle, Geneva and Zurich."

"I am confident that the significant investments we have made and are continuing to make will produce benefits that enable us to sustain our excellent performance since privatisation."

**CABLE AND WIRELESS**  
A world leader in Telecommunications



CABLE AND WIRELESS PLC, MERCURY HOUSE, THEOBALDS ROAD, LONDON WC1X 8RX.

## Record Profit at Leigh

Dividend again increased

Results in brief	Year ended 31st March 1987	Year ended 31st March 1986
Turnover	£200's 42,253	£200's 37,581
Profit before interest	4,007	3,383
Interest	(1,533)	(1,762)
Profit before tax	2,474	1,621
Taxation	(888)	(635)
Profit after tax	1,586	986
Transfer to reserves	703	403
Dividend on Ordinary Shares per share:		
Interim	1.40p	1.30p
Final recommended	2.75p	2.45p
Earnings per share	8.4p	6.9p
Average number of shares in issue	15,778,000	14,341,000

(The figures for the year are abridged from the Group's full accounts for that period, which have received an unqualified Auditors' Report and will be filed with the Registrar of Companies following the Annual General Meeting.)

**Leigh**

Leigh Interests plc - London Road - Brownhills  
Walsall - West Midlands WS9 7BS.

If waste is the problem Leigh has the answer - 24 hours a day

# B G F

## Twice as good as the best of the rest!

Not only was the FS Balanced Growth Fund the best fund over its first three years but its performance was twice as high as the next best unit trust.

As a result, £10,000 invested at launch in February 1984 was worth an astonishing £71,400 on 1st June 1987. (No, it's not a misprint!)

Invest a little time finding out a lot more.

### THE INITIAL SUCCESS CONTINUES

To find out more about the FS success story ask your independent financial adviser or send this coupon to:  
Lynda M Somerville, Marketing Manager, FREEPOST, Glasgow G2 2BR.  
Or telephone: 041-332 3132.

I would also like to know more about:

FS LIFE ASSURANCE ☐ FS PENSIONS ☐ OTHER ☐

NAME

ADDRESS

POSTCODE

COMPANY (if applicable)

**BALANCED GROWTH FUND**

## GET THE LOWDOWN ON YOUR UPKEEP

Here it is. Everything you ever wanted to know about Fleet Management but never had the time to find out.

All the facts and figures from Vehicle Selection to Maintenance Procedures, from Fuel Cost Control to Disposal. Everything set down in logical stages with flowcharts and diagrams to assist you. What's more, it's the definitive Fleet Management Brochure because FMS have put over 30 years of experience under one cover.

So you can see clearly where and how your company will benefit. And as it won't cost you a penny it's got to be worth investing your time and sending for your copy now.

Please send me the FMS Fleet Management Brochure.

Name  Position  Company

Address  Telephone



**Fleet Management Services Ltd**  
LEASING - CONTRACT HIRE - FLEET MANAGEMENT  
Sewers House, St. John's Park, Birmingham B7 1JF.  
Telephone: Birmingham (0743) 241121.

Citicorp Investment Bank  
Mergers and Acquisitions  
is pleased to announce that

**John B. Fraser**

has joined us  
as a managing director.

153 East 53rd Street  
New York, New York 10043

The world's most powerful investment bank.

**CITICORP INVESTMENT BANK**

Application has been made to the Council of The Stock Exchange for the Ordinary Shares in Glamour Group PLC issued and now being issued to be admitted to the Official List. It is expected that dealings will commence on 2nd July, 1987.

## GLAMOUR GROUP PLC

(Incorporated in England under the Companies Act 1985 - No. 1269967)

Placing

by **de Zoete & Bevan Limited**

of 1,250,000 Ordinary Shares of 10p each at 178p per share

### SHARE CAPITAL

Authorised	Issued and now being issued, fully paid
£650,000	£500,000
Ordinary Shares of 10p each	

### PRINCIPAL ACTIVITIES

The Company's business is the marketing and distribution of consumer goods to the grocery trade.

25 per cent of the Ordinary Shares being placed will be distributed by Remsburg.

Listing particulars relating to Glamour Group PLC are available in the Extel Statistical Services, and copies of the Placing document which comprises listing particulars may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted), up to and including 9th July, 1987, from:

de Zoete & Bevan Limited  
Ebbsay House, 2 Swan Lane,  
London, EC4R 3TS  
and, during usual business hours on 26th and 29th June, 1987, from:  
The Company Announcements Office,  
The Stock Exchange,  
Throgmorton Street,  
London EC2P 2BT

25th June, 1987

## UK COMPANY NEWS

### MK Electric moves up to £20m

The MK Electric Group continued its advance through the second six months of 1986-87 and for the full year raised its profits from a slightly depressed £17.7m to £19.8m at the pre-tax level.

Furthermore, Mr Roger Leverton, MK's chief executive, said yesterday that the group was well set for further profitable growth from new products and productivity.

UK market conditions were described as favourable and the group's overseas markets were said to be showing some improvement.

Acquisitions were expected to provide a growing contribution to profits and in all, Mr Leverton was encouraged by the group's short and long term prospects.

At year-end MK's cash position remained strong with net liquid funds of £8.6m after financing the 78 per cent acquisition of Trend Control Systems in November, the purchase of the Caradon Gilders in February

and capital expenditure amounting to £7.5m.

Turnover for the past year, to March 28, increased from £128.5m to £140.9m—the London based group makes electric and electronic connection, control and circuit protection equipment.

After a same again tax charge of £7.5m earnings per 25p share worked through 4.9p ahead at 32.2p. A final dividend of 8.3p lifts the total by 1.2p to 12p net.

Mr Leverton said the UK market provided a rising trend of strong demand for the group's products throughout the year. Construction activities showed encouraging increases, particularly in new private buildings and generally in the refurbishment sector.

There was substantial volume growth in the UK sales of established companies and this, together with recent acquisitions increased total home sales value by 16 per cent over the previous year.

Overseas, there was a further sharp reduction in the group's traditional Middle and Far East markets which reflected poor economic conditions. In the last two months of the year, however, order intake recovered.

In contrast export markets of growing importance in Europe and North America provided increased demand.

There was a further reduction in overseas business in the major British Standard territories in the Middle East and south-east Asia. Mr Leverton said nonetheless, that in the medium term and beyond these countries offered good business potential.

### comment

MK Electric's 7 per cent organic growth rate (a further 3 per cent of the profits rose was contributed by acquisitions and 1 per cent came from the elimination of South African trading losses) was on the good side of modest. This year

with the building industry's gross growth rate expected to be between 8 and 9 per cent, MK's progress will depend on the precise timing of the sector's cyclical peak plus what acquisitions can produce. But even if the building market falls away in late 1988, as the gurus forecast, MK will have plenty of time to revise attitudes to the shares. Good cash generation when added to the small balance-date surplus could add £1m to the pre-tax rate while another fall in the tax rate will further boost earnings. Forecasts of £224m put the shares at 477p on a forward looking multiple of 12. If MK is rated as a quality building materials supplier with a strong market position rather than as an electrical stock, something closer to 14 would appear justifiable. This holds even if no predator is moved by the company's perceived healthy position. Look for news on a £10m European acquisition sometime soon.

### Bulgin drops 46% after difficult trading

DIFFICULT trading conditions saw A. F. Bulgin & Co. manufacturers of electronic and electrical components, return a 46 per cent drop in year-end pre-tax profits to £247,183, but directors were more optimistic for the current financial year.

Directors said the group had carried out some rationalisation at the distribution company, which was particularly affected. As a result the board was only able to propose a nominal single final dividend which was unchanged at 0.1p.

Sales for the first quarter exceeded last year's, and exports in particular were well ahead, they said.

A healthy order book, coupled with the recent publication of a new catalogue, gave grounds for optimism, particularly during the second half.

Turnover for the year to March 31 rose from £9.5m to £9.6m. After tax of £83,934 (£81,593) and minorities of £568 (£188), earnings per share rose from 0.54p to 0.59p.

There was an extraordinary debit of £27,167 (£454,755).

### Booth recovery

Booth Industries, designer, fabricator and erector of structural steelwork, made a good recovery in the year to March 31, 1987, with pre-tax profits up from £69,617 to £168,265 on turnover of £12.74m (£14.8m).

The directors said that the results in the second half showed continued improvement, giving an acceptable result at this stage of the company's reorganisation. They added that the company was well placed to maintain its market share and to continue its improved trading performance.

There is a final dividend of 2p making 3p.

### ERF below £1m but forecasts significant improvement

BY ALICE RAWSTHORN

ERF Holdings, the only surviving British-owned truck producer, yesterday unveiled a fall in pre-tax profits from £1.27m to £718,000 for its last financial year but signalled a significant improvement in its prospects for the present year.

Last year ERF was beset by problems in its overseas markets, where sales to South Africa and the Middle East suffered because of political and economic difficulties. These problems were compounded by the impact of investment in the launch of its new "E" range of trucks and a poor performance from the company's plastics interests.

Mr Peter Foden, chairman, said that an increase in domestic sales helped to compensate for the slump in exports. But the improvement within the UK only took effect in the final quarter. This improvement has, however, continued into the present year.

He said that the "E" range, which took three years to develop, had been very well received and that orders for trucks have been almost doubled within the last few months. Whereas last year the company produced eight trucks a day,

this year it was producing 14 vehicles.

The company's plastics interests encountered problems because of increased competition. Profits from this division fell from around £350,000 to £200,000. ERF intends to counter the competitive market by diversifying into mainland Europe and with the introduction of new products.

In the year to March 28, group turnover rose to £75.91m (£71.03m), but profits before interest slipped to £2.24m (£2.87m). Interest fell slightly to £1.53m (£1.6m) but group gearing is still above 90 per cent. The company had not paid tax since 1980.

Earnings per share fell to 8.61p (16.28p). There will be no dividend. The board announced that it is formulating proposals to deal with arrears in the payment of preference dividends by issuing ordinary shares to the holders of preference shares.

### comment

ERF is one of the happier anomalies of British industry. Quite how it has survived is extraordinary but survive it has. This set of results, gloomy as they may seem at

first glance—is testimony to its recovery. A 44 per cent fall in pre-tax profits may not look like a reason for rejoicing but all the bad news fell in the first half and the shares—up 25p to 141p yesterday—have risen steadily since the news of the "E" range's success.

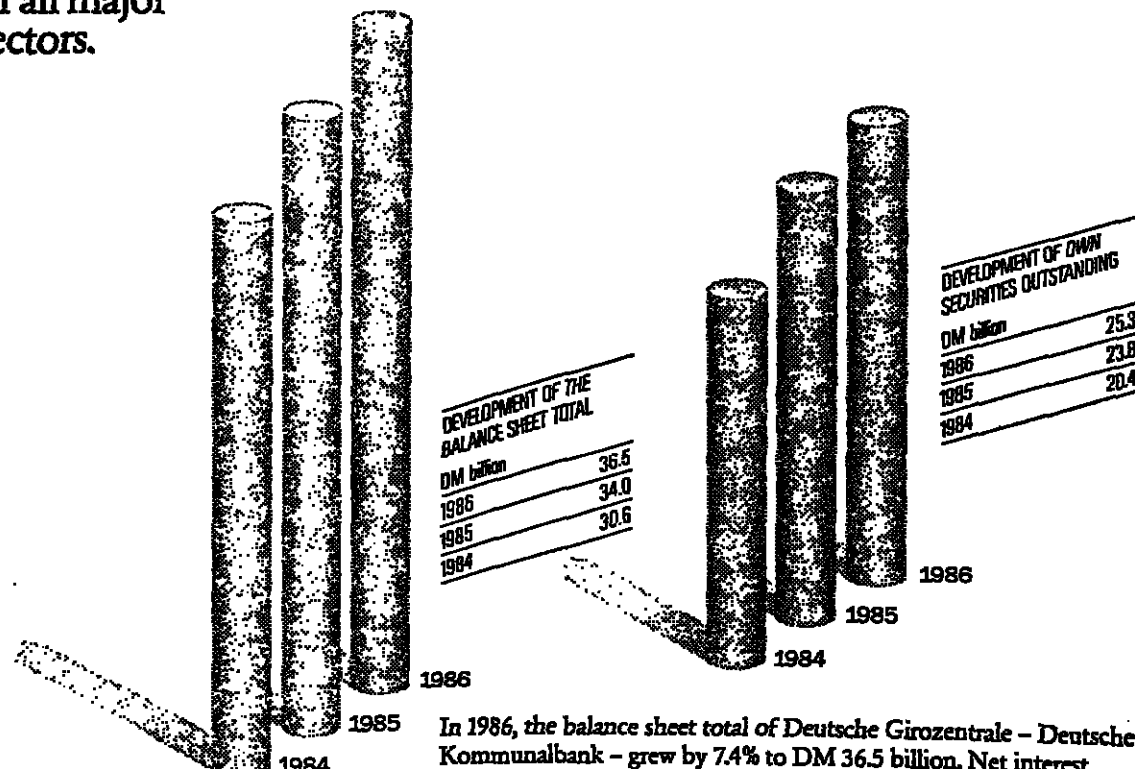
Export markets are still lack lustre and it will take time for new plastics programme to take effect. Thanks to the "E" range, trucks should return to pre-recessionary levels of 3,000 or so this year, giving ERF's dream of stealing market share back from Mercedes and Volvo some hope of success. Profits are impossible to predict for so idiosyncratic a business but earnings per share should rise this year, as could the share price.

### BOARD MEETINGS

TODAY	FUTURE DATES
Interim: B&B Brothers, Macarthy, Rasmussen Investments, TSB, Trusthouse Forte.	Interim: Clydes Blowers, Kleinwort Benson Gift Fund, M and G Dual Trust, Securicor, Southern Business, Fimela.
Final: Anchor International Fund, Argyll Group, BPE Industries, STP, Burydon Investments, C. H. Industrial, Colson Industries, Greycoat, James Latham, Parkdale, Rothmans International, Stead and Simpson, Sytner, Wooltons Bazaarware.	June 29 July 1 July 6 July 8 June 29 June 30 June 29 July 15

### BUSINESS YEAR 1986:

Continued success in all major sectors.



In 1986, the balance sheet total of Deutsche Girozentrale - Deutsche Kommunalbank - grew by 7.4% to DM 36.5 billion. Net interest income of DM 224 million was 6.7% higher than the previous year's level. Operating income increased by a good 12% to DM 171 million.

### Financial Highlights 1986 (DM million)

	1985	1986
Total Assets	36,480	33,973
Due from Banks	12,766	11,487
Debtors and Bonds	6,763	5,833
Receivables from Non-Bank Clients	15,233	15,137
Fixed Assets	139	130
Deposits by Banks	11,287	9,504
Deposits by Non-Bank Clients	2,345	1,790
Own Debtors in Circulation	20,657	20,628
Capital and Published Reserves	620	615
Net Interest and Commission Income	240	210
Personnel and Operating Expenses	64	60
Taxes	90	99
Net Profit	30	30



**Deutsche Girozentrale**  
**Deutsche Kommunalbank**  
FRANKFURT/BERLIN

Tourneaustrasse 10, D-6000 Frankfurt am Main 1, Tel.: (069) 2693-0, Telex: 414168; Kurfürstendamm 32, 1000 Berlin 15, Tel.: (030) 8812096, Telex: 183353; Luxembourg Branch: 16, Boulevard Royal, L-2449 Luxembourg, Tel.: 474360, Telex: 3101; DGG International S.A.: 16, Boulevard Royal, L-2449 Luxembourg, Tel.: 462471-1, Telex: 2841



## UK COMPANY NEWS

## Century Oils raises over £11m via rights issue

BY LUCY KELLAWAY

CENTURY OIL, the specialist lubricants manufacturer, yesterday announced details of a £11.5m rights issue to pay for last year's heavy expenditure on a new production centre in the UK and to lay the base for further expansion.

The issue, the terms of which are one for four at 195p, will almost wipe out group borrowings, which at the year-end were £12.4m.

The company said yesterday that business so far this year was going well and that the dividend would be at least maintained. In the UK, Century was

benefitting from heavy rationalisation over the last two years, while in overseas markets progress was also being made, the company said.

Mr Charles Mitchell, chairman of Century, said yesterday that the money would be used to further the company's two central aims: to widen its geographic coverage and to develop a broader spread of products. He said he was particularly keen to increase Century's presence in the North American and European markets, which would be done through a mixture of organic

growth and acquisition. Several specific opportunities are now being considered, he said.

Last year the company's capital expenditure was £11.5m, of which more than half was spent on building a new processing and distribution centre at Hanley, which has enabled it to concentrate its UK activities under one roof. The company said this would allow it to cut its costs and to reduce its working capital.

In the UK the company also has plans to broaden its activities beyond the lubricants market.

## DDT profit cut by half after most difficult year

DDT Group, the third-party computer maintenance company which graduated last November, reported pre-tax profits down from £1.7m to £590,497 on turnover down from £7.1m to £6.9m in the year to March 31, 1987.

The directors propose to pay an unchanged dividend of 1.2p. Earnings per share fell from 11.57p to 5.64p.

Mr James Crook, chairman, said that the group had just completed one of the most difficult years in its history. The proliferation of other third-party maintenance companies and falling hardware sales had combined to reduce turnover while the increasing competition had resulted in significant pressures on maintenance prices which had reduced profits.

However, he said that the group had maintained a high level of capital investment during the year to secure its future position in the market.

Mr Crook was confident that DDT would achieve significant increases both in sales and profits during the current period. The third-party maintenance market continued to stabilise and the sales company expected improved results during the current period.

DDT Maintenance suffered from competitors who offered large discounts. But it was already regaining customers who were initially attracted by

such offers. DDT Maintenance Ireland made a positive contribution to group profits.

The communications division continued to incur losses because of slower than expected market growth. DDT had since reduced staff levels and costs and expected the division to break even in the current period and be ready to take advantage of future growth.

Throughout the year investment had continued in all areas: staff levels had increased by 34 per cent and a new computer system had been installed at a cost of more than £200,000 to improve the efficiency of customer fault control and engineer despatch.

Mr Crook said that overall the cumulative effects of reduced margins, high capital expenditure and a slow development of new service areas had contributed to the profit reduction.

The sales division had been significantly reorganised and staffing levels reduced by 20 per cent to allow efforts to be concentrated on the peripheral and industrial markets and to avoid the problems associated with the commercial and PC markets. The division experienced a fall in turnover of 45 per cent to £162m.

Tax charges fell from £480,549 to £225,132 and extraordinary items of £76,025 (£88,023) comprised the costs involved in obtaining a full listing.

## Better margins help lift Leigh profits to £2.5m

BY PHILIP COGGAN

Leigh Interests, the waste disposal group, yesterday announced a 53 per cent increase in pre-tax profits to £2.47m in the year ended March 31, 1987.

During the course of the year, the group sold off the remaining non-waste interests of MJT and will eventually realise £3.5m from the disposal, although £2.5m is being paid on deferred terms. As a result, and with the help of last year's convertible preference issue, borrowings are now down to £9.5m from £16.5m at the last balance sheet date.

The growth in profits reflected substantially better margins as turnover increased only 12.4 per cent to £42.25m (£37.58m). However, weak demand continued in the oil recovery business and in addition, Leigh Pollution Control suffered losses, although current projections indicate a better performance in both areas this year.

Sales and profits of the group in the first two months of the current financial year are ahead of last year's figures and the company is confident that it is well placed to continue its profitable progress.

Trading profit was £4.01m (£3.35m) and after interest of £1.53m (£1.76m) and tax of £888,000 (£835,000), earnings per share were 21.7 pence higher at 8.4p (8.9p). The final dividend is being set at 2.75p (2.45p) per share making a total of 4.15p (3.75p).

## comment

Waste not, want not is obviously Leigh's motto and having bought MJT in 1985 for its waste disposal business, the company has gradually disposed of the non-waste interest. Now that has been achieved, Leigh can sit back and reap the benefits of the efficient society as problems like acid rain and the disposal of toxic chemicals increase. Although last year's rights issue and disposal cut back borrowings, the gearing level of 53 per cent is still high enough to encourage the group to use paper to make geographical add-on acquisitions like Campbell. But assuming pre-tax profits hit £3.25m this year, the fully diluted p/e of 17.5, with the shares at 165p, gives the company plenty of scope to buy private companies without diluting earnings.

## Latham's rises to record £2.1m

James Latham, timber merchant, exceeded expectations with a record pre-tax profit of £2.07m (£1.91m) for the year ended March 31, 1987.

The improvement was much more than it appeared at first sight since the previous year's figure included a £1.45m surplus on disposal of property at Clapton, east London, against nil this time.

With accumulated tax relief from previous years—there is a tax credit of £253,000 against a charge of £595,000—earnings per share have leapt from 48.9p to 90.71p.

The credit included £441,000 corporation tax written back on the capital gain of the land sale as a result of the claim for full-over relief now being available.

The directors said that with the encouraging level of activity in the building sector the company was expecting even better results this year, although the strengthening pound could be an inhibiting factor. With the company's further improved balance of activities, the directors added, the company looked forward to the future with confidence.

The record profit announced represented achievement of six years of progress from the recession, they said. All sectors had improved their contribution. In particular, there had been a much higher level of activity from the timber centres and a useful profit recovery on the import side.

During the year new timber centres had been established and the company's new building merchant activity had been considered. The veneered panel and door factory had been extended and substantially re-equipped.

Turnover last year rose from £37.1m to £43.27m and the trading profit emerged at £3.5m (£3.1m); depreciation was £346,000 (£3.05m) and interest £532,000 (£563,000). There was no provision for unfunded pensions this time (£400,000) or any provision for reorganisation (£85,000).

The dividend is increased from 14.35p to 16.5p with a recommended offer of 10.5p (9.25p). A one-for-one scrip issue is proposed.

## Spice up 53% to £0.54m and expansion continues

Spice, the USM quoted car parts distributor, produced a 53 per cent advance in its interim pre-tax profits to £537,000, confirmed its commitment to expansion by acquisition, and predicted record full year figures.

The company had a strong balance sheet and a capable and ambitious management team, said directors, and was continuing to search for acquisitions.

Current trading was satisfactory, with both sales and margins showing an increase over the previous year, they said.

Turnover for the six months to March 31 rose by 12 per cent from £9.87m to £11.07m

despite first quarter trading being less buoyant than expected. Cold weather in the second quarter benefited volume and margins.

Cash and carry branches performed well, especially Canning Town, where a major refurbishment programme was completed.

The distribution division had continued its expansion after the introduction of further leisure and consumer products and the opening of several new accounts.

Interest rose from a £6,000 payment to £65,000 receivable. After tax of £134,000 (£10,000) earnings per share rose from 5.1p to 5.2p. The interim dividend was raised from 0.26p to 1.2p.

## Chelsea Man 67% ahead

Mr Sam George, chairman of Chelsea Man, the men's clothing retailer, yesterday announced a 67 per cent increase in pre-tax profits for 1986-87. He also revealed that current trading was ahead of the comparable period.

The chairman was looking to another successful year but pointed out that if the company could increase its trading area prospects were outstanding.

He said the main priority was to expand by seeking additional retail outlets in the Midlands, the Home Counties and the South either via acquisition of single retail units or by the purchase of existing menswear retailers.

In order to assist this expansion the company would be seeking additional warehousing capacity.

For the year to March 31 the company, which came to the USM a year ago, raised its turnover from £3.5m to £4.8m and its profits before tax from £550,000 to £1.61m—margins rose from 27 per cent to 33 per cent.

Tax accounted for £585,000 (£598,000) and extraordinary provisions (elag fees related to Chelsea Girl litigation) for £10,000 (£14,000).

Earnings per 5p share emerged at 9.66p (5.86p). A final dividend of 2.1p makes a total of 2.9p net.

## Tokyo Pacific Holdings N.Y.

Tokyo Pacific Holdings (Seaboard) N.Y.

The Quarterly Report as of 31st March 1987 has been published and may be obtained from:

Pearson, Harding & Pearson N.Y.  
Herengracht 214, 1016 BS Amsterdam

National Westminster Bank PLC  
Stock Office Services,  
3rd Floor  
20 Old Broad Street  
London EC2N 1EL

N.M. Rothschild & Sons Limited  
New Court, St. Swin's Lane,  
London EC4P 4DU

L'Europanne de Banque  
21 Rue Laffitte, Paris 9

Winkens & Burkhart  
Königsallee 21-23  
D 4000 Düsseldorf 1

Sid. Oppenheim Jr & Co.  
Unter Sachsenhausen 4, D 5000 Köln 1

Banque Paribas Belgique S.A.  
Boulevard Emile Jacqmain 102,  
B 1000, Bruxelles

Banque Paribas  
3 Rue d'Artois, Paris 2

Banque Paribas (Luxembourg) S.A.  
10a Boulevard Royal, Luxembourg

Merrill Lynch International & Co.  
all European Offices

Rothschild Australia Limited  
Raffles Exchange Building  
55 Pitt Street, Sydney N.S.W. 2000

## GRANGES EXPLORATION LTD.

(Incorporated with limited liability in the Province of British Columbia, Canada)

U.S. \$30,000,000

7½ per cent. Convertible Bonds due 2001

Notice is hereby given, in accordance with Condition 4(C) of the Terms and Conditions of the above Bonds (the "Bonds"), that Granges Exploration Ltd. has registered the Common Shares to be issued upon conversion of the Bonds under the Securities Act of 1933 of the United States of America.

Dated June 25, 1987.

By: Citibank, N.A., Principal Paying and Conversion Agent, for and on behalf of Granges Exploration Ltd.

CITIBANK



## H J Joel Gold Mining Company Limited

(Incorporated in the Republic of South Africa)

Registration No. 85/01995/06

Shareholders are advised that on 18 June 1987 the VSS/Beatrix composite reef was intersected on the 80 level main access roadway north. The reef was intersected at a distance of some 370 metres from the 3 and 4 shaft complex. The grade of ore sampled in this intersection averaged 48.7 grams per ton gold and 0.41 kilograms per ton uranium over the 12-centimetre width of the reef (564 centimetre grams per ton for gold and 4.81 centimetre kilograms per ton for uranium). The average grade of the total reserve indicated by borehole results is 6.5 grams per ton. No conclusions should be drawn from a single intersection as values so obtained are likely to vary widely. Further information will be released at the time of the publication of quarterly results in July.

Johannesburg 24 June 1987.

1. The Office National des Transports du Zaïre (ONATRA) has obtained from IDA the permission to use the balance of the credit number 1180Z in order to proceed with the procurement of railway equipment items:

2. Contracts cover:

Tender n° 152116

Lot 1.

Supply of one site line inspection trolley and spare parts for two years service.

Lot 2.

One tractor-crane and spare parts for two years service.

Tender n° 152216

Lot 1.

Supply of 40 000 tie-rods for reinforced concrete sleepers.

Lot 2.

Supply of 250 000 washers.

Lot 3.

Supply of 160 000 track bolts.

3. Onatra hereby invites approved tenderers to submit their offers for the supply of railway equipment items under sealed envelope.

4. Any approved tenderer interested in this invitation to tender can purchase a complete set of tender documents on request to the department as per address below and upon payment per book of specifications of a non-refundable amount of 10 000 000 Z or 100 US\$ or the equivalent of this amount in a convertible currency approved by the Banque du Zaïre, payable by crossed cheque to Onatra. All offers must be accompanied with tender deposit. Deposits are as follows:

Tender n° 152116

Lot n° 1: 5 000 US\$

Lot n° 2: 10 000 US\$

Tender n° 152216

Lot n° 1: 5 000 US\$

Lot n° 2: 1 500 US\$

Lot n° 3: 5 000 US\$

These deposits must be made to the address hereunder for 24-07-87 at 15.00 hours at the latest, this being the date and time of opening of tenders.

5. Address of Onatra:

Office National des Transports du Zaïre (ONATRA)

Direction Générale - local 711 - 7ème étage

Appels d'offres n° 152116 et/ou 152216 - Matériels ferroviaires

B.P. 98 - Kinshasa 1 - Zaïre

Téléc: 21017 z.

6. Addresses where tender documents can be obtained:

In Zaïre: Disposition Approvisionnement ONATRA

Bâtiment ONATRA - 3ème étage - local 324

Boulevard du 30 juin, 177 - Kinshasa

on Monday, Wednesday and Friday between 10 and 11 a.m.

In Belgium: Agence ONATRA Bruxelles

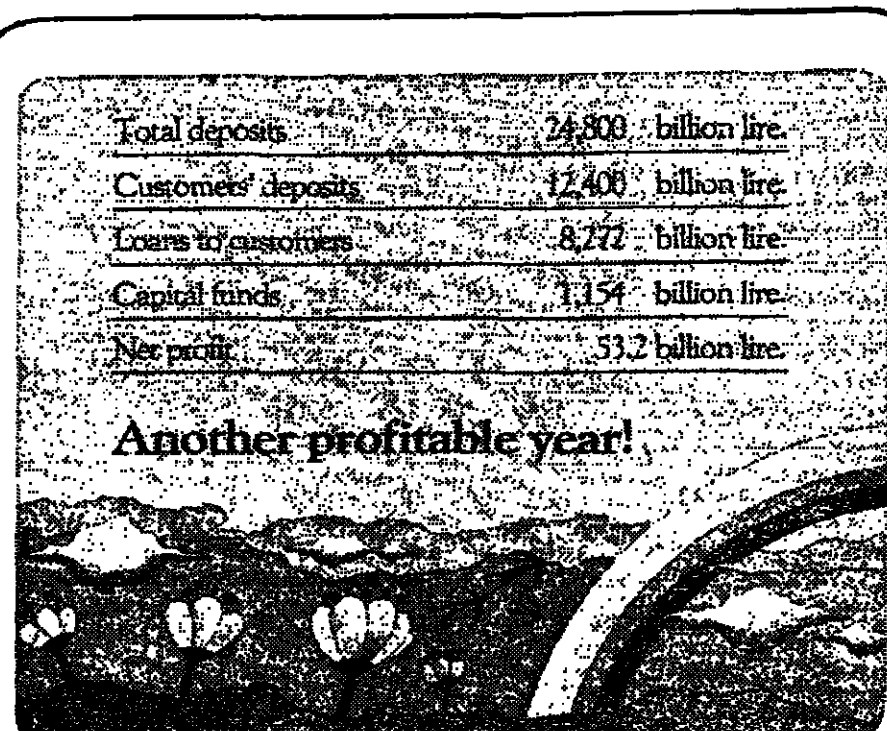
Avenue des Arts, 50

B-1040 Bruxelles

Tél: 02/512.51.25

Téléc: 20634 onatra b.

## BNA PRESENTS ITS ACCOUNTS FOR 1986.



BNA prospered in 1986, as the figures in its balance sheet show:

- in comparison with the previous year customers' deposits increased by 11.8% while loans to customers mainly granted to companies, with particular attention to those of small and medium-scale, to the agricultural sector and to goods and services for export, increased by 5.6%.
- international business registered positive results in foreign exchange dealing, in the issue of import and export

- clearances and in currency deposits.
- the net profit, with a 22.6% increase, will give a dividend of 185 lire each for ordinary and preferred shares.
- the operational network, consisting of 224 branches in Italy, has been further extended by the new Hong Kong branch, which joins the New York and London branches and the six representative offices in the major financial centres.



BANCA NAZIONALE DEL CREDITO

The advertisement complies with the requirements of the Council of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited and does not constitute an offer of, or invitation to subscribe for or purchase, any securities.



The National Home Loans Corporation plc  
(Registered in England under the Companies Act 1940 to 1981 Registered No. 1917546)

U.S. \$ 100,000,000  
8¼% Notes due 1992

The following have agreed to subscribe for the Notes:

COMMERZBANK AG - GERMANY	DAIWA EUROPE LIMITED
BAYERISCHE LANDESBANK GROZENTRALE	DG BANK DEUTSCHE GENOSSENSCHAFTSBANK
KREDITBANK INTERNATIONAL GROUP	LLYODS MERCHANT BANK LIMITED
THE NIKKO SECURITIES CO., (EUROPE) LTD.	TOKAI INTERNATIONAL LIMITED
WOOD GUNDY INC.	YAMAICHI INTERNATIONAL (EUROPE) LIMITED
HILL SAMUEL & CO. LIMITED	ITCB INTERNATIONAL LIMITED
S.G. WARBURG SECURITIES	

Application has been made to the Council of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited for the Notes to be admitted to the Official List. The Notes are to be issued at a price of 100% per cent, plus accrued interest (if any) in bearer form in the denominations of U.S.\$1,000 and U.S.\$10,000. Interest on the Notes will be payable annually in arrears on 7th July, the first payment being due on 7th July, 1988.

Lending Particulars relating to the Notes are available through First Financial Limited and copies may be obtained during usual business hours up to and including 25th June, 1987 from the Company Announcements Office of The Stock Exchange and up to and including 25th July, 1987 from:

The National Home Loans Corporation plc  
St Catherine's Court, Herbert Road  
Salford  
West Midlands, B91 3JQ

James Capel & Co.  
James Capel House  
5 Bevis Marks  
London EC3A 7TQ

Commerzbank Aktiengesellschaft  
London Branch  
10711 Arden House  
London EC2N 2JE

25th June, 1987

New Issue  
June 25, 1987

This advertisement appears as a matter of record only. These Bonds have not been registered under the United States Securities Act of 1933. Neither these Bonds nor any portion thereof may be offered or sold directly or indirectly in the United States of America, or its territories or possessions or to nationals or residents thereof.



## Mercedes-Benz Credit Corporation

Norwalk, Connecticut, U.S.A.

U.S. \$ 100,000,000  
8¼% Bonds of 1987, due 1992

Deutsche Bank Capital Markets  
Limited

Credit Suisse First Boston  
Limited

Morgan Guaranty Ltd

Morgan Stanley International

Chase Investment Bank  
Limited

## UK COMPANY NEWS

## ISSUE NEWS

## Hey &amp; Croft in £11m USM debut

BY ALICE RAWSTHORN

Hey & Croft, an Essex-based house builder, will join the USM early next week in a placing of shares. After the flotation the company will be capitalised at about £11m.

Hey and Croft was founded in the late 1950s but has expanded rapidly in the past five years since the Hey family bought out its fellow founders, the Croft family, and took over the management of the business.

It is now involved with house building from its base in Witham. Although the Hey and Croft portfolio embraces a wide range of houses, it specialises in the construction of executive homes selling for between £65,000 and £130,000. Each home within its developments has a distinctive design.

In its last financial year, to October 31, 1986, the company produced pre-tax profits of £1.6m on turnover of £12m. Profits were artificially inflated by the sale of land, however, and earnings from house building were more modest at

£945,000. This year Hey and Croft expects to boost house-building profits to £1.8m with group profits of £1.6m.

In the placing, through Grenfell and Colegrave, Hey and Croft will issue 30 per cent of its equity priced on a prospective p/e in the low teens. Part of the proceeds of the placing will be ploughed back into the company to increase its land bank and to finance further expansion.

## Hafnia Invest gains London listing

Hafnia Invest, a Danish financial services group, is due to join the London stock market this morning through an introduction sponsored by Banque Paribas Capital Markets and Morgan Stanley International.

The group had profits after tax of Dkr 251m in 1986. Its biggest subsidiary is Hafnia Insurance, the second biggest group in Denmark.

## Harland Simon placing gives value of £18.6m

BY RICHARD TOMKINS

Harland Simon, a Milton Keynes-based company making computer control systems mainly for the newspaper industry, is being floated on the stock market through a placing which will value it at £18.6m.

Hambros Bank is sponsoring the placing of 4.1m shares at 135p, putting the company on a pro-forma historic p/e multiple of 17.5. Broker to the issue is Capel-Cure Myers.

Harland Simon was set up in 1980 by two former executive

directors of PPD Engineering, Mr Roy Ashman and Mr Harry Lally, who bought the drive-control business operated under the Harland Simon name with institutional backing.

PPD and its parent subsequently took legal action against Harland Simon, its executive directors.

Hambros, which was among the company's backers. The proceedings were settled in 1981 on confidential terms, thought to include a six-figure sum.

Today, Harland Simon makes drive-control systems and computer software for continuous process industries.

Pre-tax profits have risen from £114,000 in 1983 to £1.5m for the year to March 1987 on turnover of £10.8m. The group says it has orders worth £18m for delivery over the next two years.

The shares being sold represent 30 per cent of the company's enlarged equity. Most of the proceeds will go to the institutional backers.

## Britannia offer subscribed 14 times

By Richard Tomkins

Britannia, the Cheltenham-based property developer, yesterday confirmed that its offer for sale had become the latest in a series of heavily oversubscribed issues.

The issue was subscribed 14.3 times, with more than 25,000 applications received for nearly 53m shares compared with the 3.7m on offer. There will therefore be a heavy rationing of the shares among applicants.

Smaller applications will go into an unweighted ballot in which the chances of success will be about one in 13. The odds will improve marginally as the size of application increases.

The allocation is as follows: Application for 500 shares—ballot for 500. For 1,000 shares—ballot for 600. For 2,000 to 5,000 shares—ballot for 1,000. For 6,000 to 9,000 shares—ballot for 1,500.

Larger applications will not be subject to a ballot. Applicants for 10,000 to 20,000 will receive 2,000. Those seeking 20,000 to 50,000 will receive 2,500, and those seeking 100,000 and above will receive 4 per cent of the number sought.

## Far East Resources heads for third tier

BY ALICE RAWSTHORN

THE THIRD Market will gain a new recruit tomorrow when Far East Resources, an oil and gas group, goes public in a placing of shares which will value its business at £10m.

Far East Resources was formed in early 1986 to evaluate and exploit energy resources. To coincide with the placing it will acquire Visayan Oil which is involved with gas and oil in the Philippines.

Visayan has an interest in an oil and gas concession in the North Cebu area of the Philippines. The company in-

tends to take advantage of the Philippine Government's more liberal energy policy to develop the concession.

In the placing, Far East Resources will issue 3m shares, or 30 per cent of its equity, at 100p each. The capital raised by the placing—£2.64m after expenses—will be used to fund exploration and development.

The stockbrokers, T. C. Coombs, will sponsor the placing. While Barclays de Zoete Wedd, County and Warburg will act as market makers to the company.

## Glamor valued at £8.9m

BY STEVEN BUTLER

Glamor, which markets and distributes hosiery products to supermarkets, is coming to the market through a placing of 1.25m ordinary shares at 178p each, valuing the company at £8.9m.

The shares, which have a historic p/e of 15.75, are being placed by de Zoete and Bevan.

Glamor was wholly owned by

its founder and chairman, Mr Derek Guinness, who is selling 25 per cent of the company, so the funds raised will not increase Glamor's capital.

Glamor has grown rapidly on the back of the increased sales of hosiery products in large supermarket chains, which now account for about 40 per cent of the hosiery market.

This notice is issued in compliance with the Regulations of the Council of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or purchase any shares. Application has been made to the Council of The Stock Exchange for the whole of the issued share capital of Harland Simon Group plc to be admitted to the Official List. It is expected that the Ordinary Shares will be admitted to the Official List on 29th June 1987 and that dealings will commence on 30th June 1987.

## HARLAND SIMON GROUP plc

(Registered in England under the Companies Act 1985 - No. 1963405)



## SHARE CAPITAL

Authorised  
£2,000,000Issued and now being  
in Ordinary Shares of 10p each  
£1,375,167This notice is issued in connection with a  
Placing by

HAMBROS BANK LIMITED

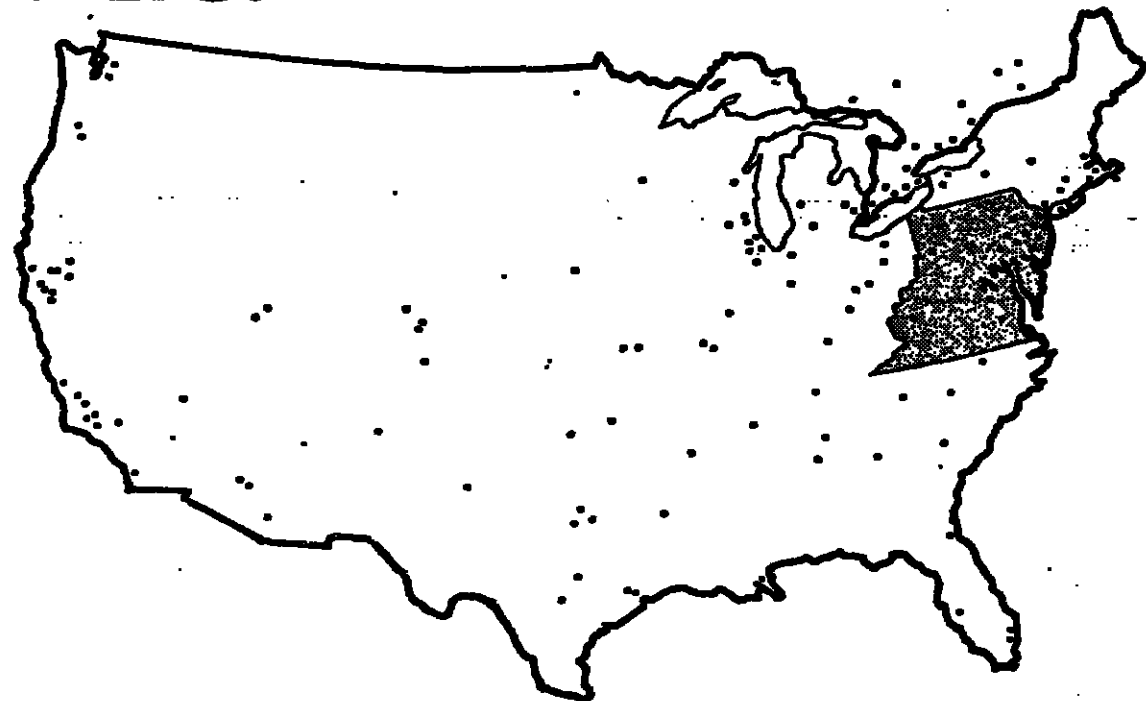
of  
4,125,501 Ordinary Shares of 10p each at 135p per Share

The Group's particular expertise is in the design, manufacture and application of computer control and of computer-based management control systems to continuous production processes. The Group's principal business is to design, supply, to customers' specific requirements, sophisticated electronic drive control installations which can be controlled by a single computer. On behalf of Hambros Bank Limited, Capel-Cure Myers has placed 3,094,126 Ordinary Shares with its clients and 1,031,375 Ordinary Shares with Savory Mills Limited for distribution to its clients. Listing Particulars of the Company will be circulated by the Exel Statistical Services and copies of such Particulars may be obtained during normal business hours on any weekday (excluding Saturdays) up to and including 8th July 1987 from:

Hambros Bank Limited,  
41 Bishopsgate,  
London EC2P 2AA.Capel-Cure Myers  
65 Holborn Viaduct,  
London EC1A 2EU.Savory Mills Limited  
New City Court,  
20 St Thomas Street,  
London SE1 9RP.and until 29th June 1987 from the Company Announcements Office, The Stock Exchange,  
London EC2P 2BT.

25th June 1987

**ONE OF AMERICA'S LARGEST  
TELECOMMUNICATIONS COMPANIES IS  
ONE OF AMERICA'S LARGEST  
FINANCIAL SERVICES COMPANIES IS  
ONE OF AMERICA'S LARGEST  
INDEPENDENT COMPUTER MAINTENANCE  
COMPANIES.**



**WE'RE BELL ATLANTIC.** Our local telephone operating companies provide telecommunications services to nearly 16 million residence, business and government customers in the vital seven-state Mid-Atlantic region that includes Washington, D.C., as well as numerous commercial centers.

Yet, as represented above, our business is much broader. With facilities and office locations across the U.S., Canada and Europe.

Through internal expansion and carefully planned acquisitions, we've taken giant steps toward becoming the preferred source of information and communications systems and services for our customers. And that's just the beginning.

At year end 1986, our corporate assets totalled \$21.09 billion. Revenues reached \$9.92 billion. Net income, \$1.17 billion. And, by stock market value, we are the 29th largest corporation in the United States.

We've outperformed the U.S. equity market, we've increased our dividend every year, and our strategic position in growth markets promises great things for the future.

We are convinced that, through strategic management of opportunities in the information and communications industries, we will continue to see persistent and predictable growth from all our businesses—growth outpacing that of the general economy.

For more information, write Mr. Dennis Jacobs, Director, Investor Relations, Bell Atlantic Corporation, 1600 Market Street, 29th Floor, Philadelphia, PA, 19103, United States of America.

## Bell Atlantic

**LOCAL TELEPHONE AND MOBILE COMMUNICATIONS**  
Bell of Pennsylvania • C&P Telephone • Diamond State Telephone • New Jersey Bell • Bell Atlantic Mobile Systems

**INFORMATION AND COMMUNICATIONS SYSTEMS**  
Bell Atlanticcom™ • Bell Atlantic Business Supplies • Bell Atlantic International, Inc. • A Beeper Company  
CompuShop® • Bell Atlantic Business Center • MAI Canada • Telecommunications Specialists, Inc.

**COMPUTER MAINTENANCE AND SOFTWARE**  
Sorbus® • Technology Concepts Inc. • Electronic Service Specialists, Ltd.

**DIVERSIFIED FINANCIAL SERVICES**  
Bell Atlantic TriCon Leasing • Bell Atlantic Systems Leasing • Bell Atlantic Properties

This announcement appears as a matter of record only

## MARCH MEDICAL PLC

Management Buyout of  
Spembly Limited and Arbo GmbH

Equity led by:

County NatWest Ventures Limited

Equity provided by:

County NatWest Ventures Limited

Charterhouse Development Capital Limited

Term Loans and Guarantees provided by:

Security Pacific (Eurofinance) U.K. Limited

The undersigned acted as arrangers and advisors  
to the management of March Medical:

Hambro Linsandro Limited



HAMBROS

June 1987

We are pleased to announce  
the election of

EUGENE J. SULLIVAN

as a member of our  
Boards of Directors

DCNY CORP.  
DISCOUNT CORPORATION  
OF NEW YORK  
58 Pine Street, New York, N.Y. 10005



This announcement appears as a matter of record only. These Securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to United States persons as part of the distribution.

New Issue

6th May, 1987

£100,000,000

**BRITISH AIRWAYS Plc**

9½ per cent. Notes due 1997

Issue Price 101¼ per cent.

Union Bank of Switzerland (Securities) Limited

Barclays de Zoete Wedd Limited

Phillips &amp; Drew Limited

Deutsche Bank Capital Markets Limited

Banque Bruxelles Lambert S.A.

Banque Paribas Capital Markets Limited

Chemical Bank International Group

Commerzbank Aktiengesellschaft

County NatWest Capital Markets Limited

Credit Suisse First Boston Limited

Daiwa Europe Limited

Dresdner Bank Aktiengesellschaft

Goldman Sachs International Corp.

Hill Samuel &amp; Co. Limited

IBJ International Limited

Kleinwort Benson Limited

Lloyds Merchant Bank Limited

Samuel Montagu &amp; Co. Limited

Morgan Guaranty Ltd

Morgan Stanley International

Nomura International Limited

Salomon Brothers International Limited

J. Henry Schroder Wagg &amp; Co. Limited

Swiss Bank Corporation International Limited

Toronto Dominion International Limited

S. G. Warburg Securities

Wood Gundy Inc.

This announcement appears as a matter of record only.

New Issue

22nd April, 1987

£50,000,000

**C&G  
Cheltenham & Gloucester  
Building Society**

9¼ per cent. Notes due 1992

Issue Price 101¼ per cent.

Union Bank of Switzerland (Securities) Limited

Lloyds Merchant Bank Limited

Phillips &amp; Drew Limited

BankAmerica Capital Markets Group

Banque Bruxelles Lambert S. A.

Barclays de Zoete Wedd Limited

Butler Securities Limited

Crédit Commercial de France

Daiwa Europe Limited

Girozentrale und Bank der österreichischen Sparkassen  
Aktiengesellschaft

Hill Samuel &amp; Co. Limited

Kleinwort Benson Limited

LTCB International Limited

Mitsubishi Trust International Limited

J. Henry Schroder Wagg &amp; Co. Limited

Swiss Volksbank

Westdeutsche Landesbank Girozentrale

This announcement appears as a matter of record only. These Securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to United States persons as part of the distribution.

New Issue

30th April, 1987

£50,000,000

**CHRYSLER FINANCIAL CORPORATION**

9½ per cent. Notes due 1992

Issue Price 101¼ per cent.

Union Bank of Switzerland (Securities) Limited

Samuel Montagu &amp; Co. Limited

Phillips &amp; Drew Limited

Bankers Trust International Limited

Banque Bruxelles Lambert S.A.

Banque Paribas Capital Markets Limited

Berliner Handels- und Frankfurter Bank

Creditanstalt-Bankverein

Daiwa Europe Limited

Hill Samuel &amp; Co. Limited

Kreditbank International Group

Morgan Guaranty Ltd

Prudential Bach Securities International

This announcement appears as a matter of record only. The Securities referred to below have not, as part of the distribution, been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or its possessions or to United States persons.

New Issue

15th April, 1987

Can. \$100,000,000

**General Motors Acceptance  
Corporation of Canada, Limited**  
(Incorporated under the laws of Canada)

8½ per cent. Notes due October 15, 1992

Guaranteed as to  
payment of principal and interest by**General Motors Acceptance  
Corporation**  
(Incorporated in the State of New York, United States of America)

Issue Price 101¼ per cent.

Union Bank of Switzerland (Securities) Limited

Chemical Bank International Group

McLeod Young Weir International Limited

Merrill Lynch Capital Markets

Orion Royal Bank Limited

Banque Bruxelles Lambert S.A.

Banque Générale du Luxembourg S.A.

CIBC Limited

Commerzbank Aktiengesellschaft

Crédit Commercial de France

Crédit Lyonnais

Deutsche Bank Capital Markets Limited

Dominion Securities Inc.

Hambros Bank Limited

Morgan Stanley International

Nomura International Limited

Pemberton Houston Willoughby Bell Gouinlock Inc.

Salomon Brothers International Limited

Société Générale

Swiss Bank Corporation International Limited

Toronto Dominion International Limited





# CURRENCIES, MONEY & CAPITAL MARKETS

## FOREIGN EXCHANGES

### Sterling confident as dollar slips

THE DOLLAR lost ground as dealers reacted to rumours of central bank intervention to sell the US currency, and a comment from the Bank of Japan that there is unlikely to be a further dollar rise, because of the continuing large US trade deficit.

Although there was no confirmation that central banks, including the US Federal Reserve, sold dollars on Tuesday, the market found the suggestion quite plausible, and in time with February's Paris currency agreement to stabilise currency trading.

It was noted that the Japanese central bank does not expect a further appreciation of the dollar, but believes the market has become more stable.

The dollar fell to DM 1.8225 from DM 1.8300, to FF 6.0825 from FF 6.1175, to SF 1.5110 from SF 1.5190, and to Y445.00 from Y446.00.

On Bank of England figures the dollar's index fell to 102.0 from 102.2.

**STERLING**—Trading range against the dollar in 1987 is 1.6685 to 1.4710. May average 1.6665. Exchange rate index rose 0.6 to 72.5, compared with 69.6 six months ago.

Sterling showed renewed confidence, benefiting from the dollar's decline and showing no sign of retreat in sympathy with the US unit against other major currencies.

Confidence increased that the recent slide was no more than post-election profit taking, but it was feared that today's UK trade balance for May may be disappointing and provide a test of the £ in New York.

June 24	June 23	Previous Close
£ Spot	1.6210-1.6220	1.6025-1.6035
1 month	0.25-0.24	0.26-0.25
3 months	0.75-0.72	0.80-0.77
12 months	2.25-2.21	2.51-2.48

Forward premiums and discounts apply to the U.S. dollar.

June 24	June 23	Previous
8.30 am	72.0	71.8
9.00 am	72.0	71.8
10.00 am	72.0	71.8
11.00 am	72.0	71.8
12.00 pm	72.0	71.8
1.00 pm	72.4	71.7
2.00 pm	72.4	71.7
3.00 pm	72.4	71.7
4.00 pm	72.5	71.7

## CURRENCY RATES

June 24	Bank rate	Special rate	European Currency Unit
Sterling	0.792570	0.701861	
U.S. Dollar	1.55	1.2845	1.13842
Canadian \$	1.3182	1.13842	
Australian \$	16.778	14.5732	
French Franc	6.55957	43.0772	
West German Mark	3.37564	2.48311	
Italian Lira	2.360	1.936	
Japanese Yen	167.465	134.843	
Spanish Ptas	166.64	134.843	
Swedish Krona	7.46039	7.2962	
Swiss Franc	1.48357	1.28158	
Greek Drach	340.750	283.375	
Irish Punt	0.78667	0.74494	

CS/SDBR rate for June 22: 1.70735

## CURRENCY MOVEMENTS

June 24	Bank of England Index	Morgan Guaranty Changes %
Sterling	72.3	-21.2
U.S. Dollar	102.0	-5.2
Canadian Dollar	77.7	-10.2
Australian Dollar	157.7	+10.2
French Franc	99.9	-4.5
West German Mark	99.9	-4.5
Italian Lira	146.7	+21.5
Japanese Yen	172.3	+22.7
Spanish Ptas	134.9	+14.4
Swedish Krona	71.5	-32.9
Swiss Franc	72.2	-18.2
Yen	220.0	+44.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

## OTHER CURRENCIES

June 24	E	S
Argentina	2.8090-2.8220	1.7310-1.7380
Australia	2.2420-2.2450	1.3920-1.3950
Brazil	68.9230-69.3400	42.4500-42.7050
Denmark	7.1670-7.1795	4.4250-4.4280
Finland	218.85-222.15	136.30-138.40
France	12.6600-12.6700	7.8070-7.8080
Germany	117.00	71.25
Greece	340.750	283.375
India	0.45600-0.45750	0.28175-0.28185
Indonesia	1.40000-1.40100	0.87500-0.87510
Japan	167.465	134.843
Malaysia	2.1900-2.1910	1.3550-1.3560
N. Zealand	2.3750-2.3760	1.7050-1.7060
Norway	6.0800-6.0810	3.2500-3.2510
Portugal	3.4300-3.4310	2.1100-2.1110
S. Africa	5.2115-5.2125	3.3325-3.3335
S. Korea	99.95-99.96	61.00-61.01
U.A.E.	3.6950-3.6960	2.3675-2.3678

Selling rate

## FINANCIAL FUTURES

### Gilts finish stronger

GILT PRICES recovered in the London International Financial Futures Exchange yesterday to finish well up from Monday and close to the day's highs. The change in sentiment reflected a combination of oversold positions and a recovery by sterling.

The September price opened at 123.28 from 123.07 on Tuesday. Cash rates had moved firmer after the close of business on Tuesday and this accounted for the stronger opening. Consequently investors moved to cover short positions but dealers stressed that

demand appeared to be predominantly domestic based.

From the opening level, values were boosted to 124.00 but came back to 123.21. Trading was a little choppy and while buying interest centred on covering positions rather than going long, there was still a number of attempts to push values lower. The latter failed to make a lasting impression and after touching a high of 124.12 the September price closed at 124.08.

Three-month sterling deposits started in much the same way, opening at 90.95 for September

delivery up from 90.54. However, a lack of follow through demand left values struggling a little and after touching a high of 91.02, it came back to 90.94.

US Treasury bonds finished down from opening levels and Tuesday's close. The September price opened at 92.94 and touched a high of 92.96 but displayed considerable uncertainty as the dollar showed signs of relinquishing recent gains. Sellers gained the upper hand later in the day and the price eased to 92.93 before recovering to finish at 92.94.

Strike	Call	Put	Settle
120	4.55	0.37	1.38
122	4.55	0.37	1.38
124	2.13	0.30	1.59
126	1.23	0.25	1.42
128	0.68	0.15	1.40
130	0.25	0.10	1.40
132	0.12	0.05	1.40
134	0.05	0.02	1.40

Strike	Call	Put	Settle
94	8.45	0.01	0.28
96	8.45	0.01	0.28
98	5.14	0.02	0.15
100	3.38	0.03	0.12
102	2.17	0.05	0.09
104	1.16	0.07	0.07
106	0.62	0.08	0.06
108	0.32	0.09	0.05

Strike	Call	Put	Settle
21750	8.95	10.74	1.83
22000	7.22	9.28	2.61
22250	5.70	7.76	3.60
22500	4.40	6.50	4.80
22750	3.31	5.38	6.21
23000	2.41	4.41	7.84
23250	1.74	3.57	9.64
23500	1.25	2.85	11.57

Estimated volume total, Calls 1,859 Puts 1,174  
Previous day's open: Calls 2,196 Puts 15,473

Estimated volume total, Calls 90 Puts 580  
Previous day's open: Calls 1,613 Puts 580

Estimated volume total, Calls 1,927 Puts 308  
Previous day's open: Calls 1,927 Puts 308

## EMS EUROPEAN CURRENCY UNIT RATES

Country	Unit	Rate	% change
Belgium	100 Franc	42.4582	+1.29
Denmark	100 Kroner	2.1388-2.1397	+0.76
France	100 Franc	6.55957	+0.77
Germany	100 Mark	3.37564	+0.77
Italy	100 Lira	2.360	+0.77
Netherlands	100 Guilder	2.360	+0.77
Portugal	100 Escudo	200.483	+0.77
Spain	100 Ptas	166.64	+0.77
Sweden	100 Krona	7.46039	+0.77
Switzerland	100 Franc	1.48357	+0.77

## PHILADELPHIA SE 65 OPTIONS

Strike	Call	Put	Settle
1.400	2.45	0.30	1.55
1.425	1.00	0.25	1.40
1.450	0.50	0.20	1.30
1.475	0.25	0.15	1.20
1.500	0.10	0.10	1.10
1.525	0.05	0.05	1.00
1.550	0.02	0.02	0.90

## LONDON SE 65 OPTIONS

Strike	Call	Put	Settle
1.50	11.85	11.85	0.00
1.55	6.85	6.85	0.00
1.60	3.95	3.95	0.00
1.65	2.10	2.10	0.00
1.70	1.20	1.20	0.00
1.75	0.65	0.65	0.00
1.80	0.35	0.35	0.00

## FOUND SPOT—FORWARD AGAINST THE POUND

June 24	Day's spread	Close	One month	Three months	Six months
US	1.6030-1.6035	1.6030-1.6035	0.26-0.23c	1.81	0.75-0.70
Canada	2.1388-2.1397	2.1388-2.1397	0.14-0.10c	1.50	0.39-0.24
Denmark	7.1670-7.1795	7.1670-7.1795	0.13-0.13c	3.61	0.25-0.25
France	6.55957	6.55957	0.13-0.13c	3.61	0.25-0.25
Germany	3.37564	3.37564	0.13-0.13c	3.61	0.25-0.25
Italy	2.360	2.360	0.13-0.13c	3.61	0.25-0.25
Netherlands	2.360	2.360	0.13-0.13c	3.61	0.25-0.25
Portugal	200.483	200.483	0.13-0.13c	3.61	0.25-0.25
Spain	166.64	166.64	0.13-0.13c	3.61	0.25-0.25
Sweden	7.46039	7.46039	0.13-0.13c	3.61	0.25-0.25
Switzerland	1.48357	1.48357	0.13-0.13c	3.61	0.25-0.25

## CHICAGO

Strike	Call	Put	Settle
92.15	92.15	92.08	92.02
92.10	92.02	92.11	92.02
92.05	92.05	92.19	92.02
92.00	92.00	92.27	92.02
91.95	91.95	92.35	92.02
91.90	91.90	92.43	92.02
91.85	91.85	92.51	92.02
91.80	91.80	92.59	92.02

## JAPANESE YEN (100M)

Strike	Call	Put	Settle
167.465	0.9925	0.9975	0.9950
167.465	0.9925	0.9975	0.9950
167.465	0.9925	0.9975	0.9950
167.465	0.9925	0.9975	0.9950
167.465	0.9925	0.9975	0.9950
167.465	0.9925	0.9975	0.9950
167.465	0.9925	0.9975	0.9950
167.465	0.9925	0.9975	0.9950

## U.S. TREASURY BONDS (100M)

Strike	Call	Put	Settle
92.15	92.15	92.08	92.02
92.10	92.02	92.11	92.02
92.05	92.05	92.19	92.02
92.00	92.00	92.27	92.02
91.95	91.95	92.35	92.02
91.90	91.90	92.43	92.02
91.85	91.85	92.51	92.02
91.80	91.80	92.59	92.02

## U.S. TREASURY BONDS (100M)

Strike	Call	Put	Settle
92.15	92.15	92.08	92.02
92.10	92.02	92.11	92.02
92.05	92.05	92.19	92.02
92.00	92.00	92.27	92.02
91.95	91.95	92.35	92.02
91.90	91.90	92.43	92.02
91.85	91.85	92.51	92.02
91.80	91.80	92.59	92.02

## U.S. TREASURY BONDS (100M)

Strike	Call	Put	Settle
92.15	92.15	92.08	92.02
92.10	92.02	92.11	92.02
92.05	92.05	92.19	92.02
92.00	92.00	92.27	92.02
91.95	91.95	92.35	92.02
91.90	91.90	92.43	92.02
91.85	91.85	92.51	92.02
91.80	91.80	92.59	92.02

## EURO-CURRENCY INTEREST RATES

June 24	Short term	7 days notice	One month	Three months	Six months	One year
Sterling	9.9%	9.9%	8.9%	8.9%	9.9%	9.9%
U.S. Dollar	6.1%	6.1%	7.7%	7.7%	7.7%	7.7%
Canadian Dollar	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
French Franc	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
West German Mark	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
Italian Lira	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%
Netherlands	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Portugal	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%
Spain	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%
Sweden	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%
Switzerland	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%

## U.S. TREASURY BONDS %

Strike	Call	Put	Settle
92.15	92.15	92.08	92.02
92.10	92.02	92.11	92.02
92.05	92.05	92.19	92.02
92.00	92.00	92.27	92.02
91.95	91.95	92.35	92.02
91.90	91.90	92.43	92.02
91.85	91.85	92.51	92.02
91.80	91.80	92.59	92.02

## U.S. TREASURY BONDS %

Strike	Call	Put	Settle
92.15	92.15	92.08	92.02
92.10	92.02	92.11	92.02
92.05	92.05	92.19	92.02
92.00	92.00	92.27	92.02
91.95	91.95	92.35	92.02
91.90	91.90	92.43	92.02
91.85	91.85	92.51	92.02
91.80	91.80	92.59	92.02

## EXCHANGE CROSS RATES

CURRENCY FUTURES					
POUND-S (FOREIGN EXCHANGE)					
Spot	1-mth	3-mth	6-mth	12-mth	
1.6215	1.6311	1.6343	1.6018	1.5995	
MARK-STERLING \$ per £					
	Latest	High	Low	Prev	
Sept.	1.6135	1.6210	1.6135	1.5995	
Dec.	1.6070	1.6140	1.6070	1.5865	
Mar.	1.6050	1.6100	—	1.5830	
LIRA-STERLING £25,000 L per \$					
	Close	High	Low	Prev	
Sept.	1.6119	1.6165	1.5985	1.5908	
Dec.	1.5965	—	—	1.5842	
Mar.	1.6020	—	—	1.5787	
Estimated volume 7,2680					
Source: CME, 10/10/77					



**Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries**

Base values: Dec 31, 1986 = 100  
Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26



contd. on next Page



## OFFSHORE AND OVERSEAS



## LONDON SHARE SERVICE

[illegible]



**AMERICANS—Continued**

## CANADIANS

**BANKS.**

## DEEDS

## BUILDING

### ROADS—Cont

Peckers	480	14.0	27	4.1
Salmon 10s	300	11.6	33	0.7

Alzo FI 20.....	843	.....	1033%	φ	3.5
Usta Holmes.....	485	-5	8.0	2.8	2.3

Blackboards 11p.....	148	-1	14.5	21	4.2
Body Shop Int 5p.....	775	-10	11.5	6.2	0.3

Goldsmiths Corp.	285	47.5	12	3.6
------------------	-----	------	----	-----

1987		Stock	Price	+ or -
High	Low			

768	288	Atlantic Computer 10p	764	+8
180	72	Audio Fidelity 10p	147	.....

158	91	FDJ Sec Awards 10p	150	.....
133	59	Dale Elect. 10p	108	-2

60	52	Murray Electronics	58	+1
87	72	Murray Tech. Invs.	82	.....

378	213	New South 30	250	.....
211	63	Rockwood Hldgs 10p	9%	-2
105	224	The Firm Inc	548	1.5

Yr	1986		1987		Stock
	Gr's	P/E	High	Low	
1986	100	10	100	10	100
1987	100	10	100	10	100
1988	100	10	100	10	100
1989	100	10	100	10	100
1990	100	10	100	10	100
1991	100	10	100	10	100
1992	100	10	100	10	100
1993	100	10	100	10	100
1994	100	10	100	10	100
1995	100	10	100	10	100
1996	100	10	100	10	100
1997	100	10	100	10	100
1998	100	10	100	10	100
1999	100	10	100	10	100
2000	100	10	100	10	100
2001	100	10	100	10	100
2002	100	10	100	10	100
2003	100	10	100	10	100
2004	100	10	100	10	100
2005	100	10	100	10	100
2006	100	10	100	10	100
2007	100	10	100	10	100
2008	100	10	100	10	100
2009	100	10	100	10	100
2010	100	10	100	10	100
2011	100	10	100	10	100
2012	100	10	100	10	100
2013	100	10	100	10	100
2014	100	10	100	10	100
2015	100	10	100	10	100
2016	100	10	100	10	100
2017	100	10	100	10	100
2018	100	10	100	10	100
2019	100	10	100	10	100
2020	100	10	100	10	100
2021	100	10	100	10	100
2022	100	10	100	10	100
2023	100	10	100	10	100
2024	100	10	100	10	100
2025	100	10	100	10	100
2026	100	10	100	10	100
2027	100	10	100	10	100
2028	100	10	100	10	100
2029	100	10	100	10	100
2030	100	10	100	10	100
2031	100	10	100	10	100
2032	100	10	100	10	100
2033	100	10	100	10	100
2034	100	10	100	10	100
2035	100	10	100	10	100
2036	100	10	100	10	100
2037	100	10	100	10	100
2038	100	10	100	10	100
2039	100	10	100	10	100
2040	100	10	100	10	100
2041	100	10	100	10	100
2042	100	10	100	10	100
2043	100	10	100	10	100
2044	100	10	100	10	100
2045	100	10	100	10	100
2046	100	10	100	10	100
2047	100	10	100	10	100
2048	100	10	100	10	100
2049	100	10	100	10	100
2050	100	10	100	10	100
2051	100	10	100	10	100
2052	100	10			

0.8	21.6	314	19%	Delta Group
—	36.1	423	25%	Derivend 50p

0.7	25.6	108	67	Metzker 5p
4.4	—	279	129	Mitchell Son 10p

0.5	90.4	375	244	Bentley (S. & W.)
0.7	—	35	151	Blot-Isotopes IDp
—	—	602	238	Booker

13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476
----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

[illegible]

+ 9	Div	Yld	1957
- 8	Ref	Gr. P/E	High Low

+52	7.6	29	33	141	376	226	Aris
-5	9.0	36	29	129	654	363	Aaron

12.9	2.7	3.1	16.6	3.7	3.7	Brick
13.65	2.3	2.0	30.2	233	138	End
				286	276	Brick

12.0	1.0	4.4	10.7	55	20	45.00
13.75	1.6	3.8	20.0	53	20	40.00

+10	13.55	2.6	3.6	13.7	£174	£101	Gkoro
+7	11.75	4.5	1.6	19.9	345	207	Gordo

[illegible]

Price	4 or	Elv	Cvt	10	P/S	N
		Net		Gr's		

3.5	+10	17.8	2.1	2.8	2.0
694	+25	75.5	4.5	1.3	18.1

208	+1	55	16	36	226
383	+3	25	29	30	157

5p	46	+1	7	—	—	—	20
	41	—	—	—	—	—	66
							3

5167+14	114.0	3.2	1.1	30.2	203
345	105.3	2.6	2.1	25.0	135

**Table 1**

Stock	Price	Net (Gw)
El. Airline Thomson	156	4.25

Maxiprim 1p	28	+2	-	-
Maxiprim 1p	139		132	h

Do 11pc Cols '94-02	£341	Q11%	—
Bourne	680	12.0	3.8

Swear (J.W.)	199	+2	6.0	1.4	4
Splash Products 10p	63		d13.27	0.2	7

100 Higgs 10p	233	+1	12.5	3.2	1
100 Higgs 15p	128	-5	2.2	2.2	1

21 Cpu \$420.50	72	48	9.43	2.7	3.1
		.....	0217	0	5.1

116	60	Hoffe
130	92	Horn

Div	Ret	C'vt	Yld	Gr's	P/E	51	25	10/20/2000
-----	-----	------	-----	------	-----	----	----	------------

114	96.3%	—	15.7	—	305
128	13.2	0	3.4	0	81

— 43 +1 | 12 - 29 | —

Wyvale Gdn. Cntr. 50p	25	1	12.63	2.8	1
Wyvale Group	25	1	12.63	2.8	1

[illegible]



# LONDON SHARE SERVICE

## INSURANCES—Continued

Stock	Price	Div	Yield	Div	Yield
1987					
1986					
1985					
1984					
1983					
1982					
1981					
1980					
1979					
1978					
1977					
1976					
1975					
1974					
1973					
1972					
1971					
1970					
1969					
1968					
1967					
1966					
1965					
1964					
1963					
1962					
1961					
1960					
1959					
1958					
1957					
1956					
1955					
1954					
1953					
1952					
1951					
1950					
1949					
1948					
1947					
1946					
1945					
1944					
1943					
1942					
1941					
1940					
1939					
1938					
1937					
1936					
1935					
1934					
1933					
1932					
1931					
1930					
1929					
1928					
1927					
1926					
1925					
1924					
1923					
1922					
1921					
1920					
1919					
1918					
1917					
1916					
1915					
1914					
1913					
1912					
1911					
1910					
1909					
1908					
1907					
1906					
1905					
1904					
1903					
1902					
1901					
1900					
1899					
1898					
1897					
1896					
1895					
1894					
1893					
1892					
1891					
1890					
1889					
1888					
1887					
1886					
1885					
1884					
1883					
1882					
1881					
1880					
1879					
1878					
1877					
1876					
1875					
1874					
1873					
1872					
1871					
1870					
1869					
1868					
1867					
1866					
1865					
1864					
1863					
1862					
1861					
1860					
1859					
1858					
1857					
1856					
1855					
1854					
1853					
1852					
1851					
1850					
1849					
1848					
1847					
1846					
1845					
1844					
1843					
1842					
1841					
1840					
1839					
1838					
1837					
1836					
1835					
1834					
1833					
1832					
1831					
1830					
1829					
1828					
1827					
1826					
1825					
1824					
1823					
1822					
1821					
1820					
1819					
1818					
1817					
1816					
1815					
1814					
1813					
1812					
1811					
1810					
1809					
1808					
1807					
1806					
1805					
1804					
1803					
1802					
1801					
1800					
1799					
1798					
1797					
1796					
1795					
1794					
1793					
1792					
1791					
1790					
1789					
1788					
1787					
1786					
1785					
1784					
1783					
1782					
1781					
1780					
1779					
1778					
1777					
1776					
1775					
1774					
1773					
1772					
1771					
1770					
1769					
1768					
1767					
1766					
1765					
1764					
1763					
1762					
1761					
1760					
1759					
1758					
1757					
1756					
1755					
1754					
1753					
1752					
1751					
1750					
1749					
1748					
1747					
1746					
1745					
1744					
1743					
1742					
1741					
1740					
1739					
1738					
1737					
1736					
1735					
1734					
1733					
1732					
1731					
1730					
1729					
1728					
1727					
1726					
1725					
1724					
1723					
1722					
1721					
1720					
1719					
1718					
1717					
1716					
1715					
1714					
1713					
1712					
1711					
1710					
1709					
1708					
1707					
1706					
1705					
1704					
1703					
1702					
1701					
1700					
1699					
1698					
1697					
1696					
1695					
1694					
1693					
1692					
1691					
1690					
1689					
1688					
1687					
1686					
1685					
1684					
1683					
1682					
1681					
1680					
1679					
1678					
1677					
1676					
1675					
1674					
1673					
1672					
1671					
1670					
1669					
1668					
1667					
1666					
1665					
1664					
1663					
1662					
1661					
1660					
1659					
1658					
1657					
1656					
1655					
1654					
1653					
1652					
1651					
1650					
1649					
1648					
1647					
1646					
1645					
1644					
1643					
1642					
1641					



## Strong Government bonds and pound bring further recovery in equity sectors

**For rate indications see end  
Unit Trust Service**

Stock	Volume	Closing Price	Day Change
Ladbrokes	4,829	4.00	+1
Land Securities	1,450	54.00	+11
Legal & Gen.	1,524	349	+4
Lloyds Bank	1,180	11.00	+5
London Assurance	381	272 1/2	-2
MEPC	2,320	22.00	-

NatWest Bank	1,790	713	-5
Next	1,900	346	+5
Pearson	936	680	+7
P & O	1,000	710	+11
Pilkington Bros	1,500	940	+15
Plessey	2,200	225	-3
Prudential	925	510 <sup>1/2</sup>	+1 <sub>1/2</sub>
Racal	5,500	270	+2
Rank Org	235	785	+9
RAM	1,500	354	+1

Redland .....	2,500	530	+13
Reed Intl. ....	3,020	594	-18
Realtors .....	1,000	825	+13
RMC .....	397	491	-2
RTZ .....	774	£10½	+½
Rolls-Royce .....	11,000	122	+3
Rowntree Mac .....	2,600	525	-
Ryl Bank Scotland ..	393	350	-1
Royal Insurance .....	567	488	+5
RTT .....	12,850	300	+15

Sainsbury	1,150	584	+9
Scott & Newcastle	4,800	250 <sup>2</sup>	+13 <sup>1</sup>
Sears	6,300	159	+2 <sup>1</sup>
Sedgwick	2,300	304	+3
Shell Trans	3,800	£13 <sup>1</sup> <sub>4</sub>	-1 <sub>4</sub>
Smith & Nephew	2,000	178	+3 <sup>1</sup> <sub>2</sub>
Standard Chart	491	747	-7
Storehouse	472	294	+4
Sun Alliance	272	£10	+1 <sub>2</sub>
Sum	4,800	83 <sup>1</sup> <sub>2</sub>	-1 <sub>2</sub>

Tesco.....	1,400	584	+4
Thorn EMI.....	964	732	+7
Trafalgar House.....	1,750	390	+8
T'house Forte.....	2,100	256	-3
Unigate.....	223	413	+9
Unilever.....	390	£334	+1 $\frac{1}{2}$
United Biscuits.....	2,500	319	+7
Wellcome.....	1,200	425	+11
Whitbread "A".....	2,600	252	+7
Wm. Watson.....	1,400	422	+1

	Rises	Falls	Same
100	10	2	
27	0	32	
604	353	599	

1	5	8
64	37	87
33	117	104
1,079	677	1,139

# LONDON TRADED OPTIONS

Option	CALLS						PUTS					
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Alfred Lyons ('43S1)	390 420 46	45 50 6	60 65 22	70 75 33	3 11 38	12 18 50						
Brit. Airways ('51S4)	130 140 18	27 30 18	— — 25	— — 38	— — 5	2 8 11	8 16 17					
British Gas ('17S6)	165 180 200	14 16 19	24 26 31	32 34 38	26 10 27	10 18 32	36 36 36					
B.P. ('57S3)	330 360 390	50 55 12	59 64 27	70 75 31	3 9 27	14 18 34	19 23 41					
British ('23S2)	240 260 280	77 88 90	84 92 31	92 100 27	2 2 10	5 10 14	10 14 20					
Coas. Gold ('19S4)	350 360 390	107 110 11	155 160 21	180 185 31	15 16 33	40 50 34	50 75 39					
Courtaulds ('47S2)	390 420 460	88 93 28	97 100 24	110 115 34	11 16 40	13 22 44	35 40 44					
Cost. Union ('53S3)	330 360 390	26 27 10	32 33 21	42 45 17	52 55 17	6 14 25	8 14 27					
Cable & Wire ('53S4)	390 420 460	16 17 3	25 27 13	37 40 25	57 62 28	23 28 78	33 47 90					
G.E.C. ('22S5)	220 240 260	21 22 10	27 29 17	34 37 23	3 8 20	8 12 24	12 16 36					
Grand Mer. ('54S0)	500 550 590	50 55 3	63 68 26	80 85 30	3 22 63	10 32 65	17 32 64					
I.C.I. ('15S13)	1350 1400 1450	182 187 65	220 225 142	250 255 182	44 48 152	64 68 203	94 98 33					
Land Securities ('54S0)	500 550 590	48 50 16	68 72 28	85 88 33	7 11 25	10 20 35	15 28 45					
Marks & Spen. ('52S2)	240 260 280	21 22 8	32 33 11	38 40 17	5 5 33	11 13 33	214 23 36					
Rolls-Royce ('12S1)	120 130 140	10 12 1	17 19 3	27 30 14	6 9 38	9 17 38	12 22 41					
Sheff. Trans. ('13S90)	1250 1350 1400	153 157 45	183 188 88	213 217 115	3 4 65	20 25 65	30 35 85					
Trafalgar House ('53S0)	300 350 360	95 100 14	109 115 30	120 125 43	1 2 13	2 3 25	3 8 33					
TSB ('9S1)	390 400 420	14 15 35	20 21 47	30 32 62	3 4 8	13 17 25	23 25 38					
Whitworth ('47S2)	400 450 500	35 40 47	42 47 62	8 17 25	8 17 25	17 25 38	25 38 50					

Option	CALLS				PUTS			
	Aug.	Sep.	Nov.	Feb.	Aug.	Sep.	Nov.	Feb.
Gairnes ('94S9)	300 330 360	77 82 28	82 86 24	70 72 45	2 5 10	2 5 10	14 18 37	43
Lambeth ('42S9)	440 460 480	17 19 22	29 32 35	37 40 45	23 25 35	23 25 35	27 37 48	
LASMO ('29S0)	240 260 280	63 69 31	69 74 47	81 87 59	4 7 22	4 7 22	8 11 29	
P. & O. ('71S0)	638 658 680	83 85 15	88 90 33	117 120 50	17 17 50	17 17 50	33 33 65	
Plessey ('22S4)	200 220 240	34 36 11	42 44 17	50 52 25	5 8 28	5 8 28	10 12 34	
Racal ('26S9)	220 240 260	51 56 28	60 66 31	62 68 40	2 4 13	2 4 13	3 5	

[illegible][illegible][illegible]

**A**nnuity earnings - % forecast, or estimated annualised dividend rate, cover based on latest available information; are ratio based on latest available information.  
**B**y issued by tender. **C** Offered holders of ordinary shares as a "rights." **D** Issued on previous year's earnings.  
**E** Capitalisation. **F** Placing price. **G** Retrospectively. **H** Issued in connection with introduction. **I** Issued by way of takeover. **J** Allotment price. **K** Unlisted securities market. **L** Official London listing. **M** Issued by way of warrants entitlement. **N** Placing and offer for sale price. **O** Third market.



## WORLD STOCK MARKETS

[illegible]

# CANADA

Sales	Stock	High	Low	Clos	Chng	Sales	Stock	High	Low	Clos	Chng	Sales	Stock	High	Low	Clos	Chng	Sales	Stock	High	Low	Clos	Chng
TORONTO																							
Closing prices June 24																							
2691	AMCA Int	\$105	102	105	+	2400	Cent'd A	\$9	8 1/2	9	+ 3/4	779181	Intl Thom	\$14 1/2	13 1/2	13 1/2	- 3/4	100	Preamb	355	355	355	
2975	Alcoa Inc	\$104 1/2	104 1/2	104 1/2		1800	Chiatlen	\$14 1/4	14 1/4	14 1/4		5430	Intgr Pwr	\$50 1/2	50 1/2	50 1/2	- 1/2	3200	Quincy	\$12	11 1/2	11 1/2	+
3000	Alcoa E	\$104	104	104		57945	Comstock	\$17	17	17		690	Waco	\$14 1/2	14 1/2	14 1/2		2000	Dur	\$12 1/2	12 1/2	12 1/2	+
2995	Albina Int	\$30 1/2	30 1/2	30 1/2		4000	Comstock	\$17 1/2	17 1/2	17 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		3000	Ranger	\$7 1/2	7 1/2	7 1/2	+
2995	Albina E	\$30 1/2	30 1/2	30 1/2		1000	Comstock	\$17 1/2	17 1/2	17 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		1000	Redcat	\$11 1/2	11 1/2	11 1/2	+
12508	Albina H	\$30 1/2	30 1/2	30 1/2		1000	Comstock	\$17 1/2	17 1/2	17 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		3000	Regal	\$11 1/2	11 1/2	11 1/2	+
400	Algo Cont	\$20 1/2	20 1/2	20 1/2		15039	Com Bait A	\$18 1/4	17 1/4	17 1/4		300	Klena Gold	\$20 1/4	20 1/4	20 1/4		300	Algo A	\$20 1/4	20 1/4	20 1/4	+
10850	Alumers	\$10	12	13	+	5628	Con Gas	\$27	26 1/2	26 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo B	\$20 1/4	20 1/4	20 1/4	+
84172	Alco I	\$11 1/4	11 1/4	11 1/4		3200	CTI, Bait	\$25	25	25		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo C	\$20 1/4	20 1/4	20 1/4	+
10125	Alco II	\$11 1/4	11 1/4	11 1/4		1500	Corby	\$19 1/2	19 1/2	19 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo D	\$20 1/4	20 1/4	20 1/4	+
6002	BGR A	\$12 1/2	12 1/2	12 1/2		5000	Coastal Ind	\$13	12 1/2	12 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo E	\$20 1/4	20 1/4	20 1/4	+
6902	BGR C	\$12 1/2	12 1/2	12 1/2		3374	Crown	\$16	16	16		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo F	\$20 1/4	20 1/4	20 1/4	+
6902	BGR E	\$12 1/2	12 1/2	12 1/2		10154	Crown A	\$17 1/2	17 1/2	17 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo G	\$20 1/4	20 1/4	20 1/4	+
47225	BC BSCD	\$11 1/4	11 1/4	11 1/4		300	Develon A	\$17 1/2	17 1/2	17 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo H	\$20 1/4	20 1/4	20 1/4	+
24215	BC BSCD	\$11 1/4	11 1/4	11 1/4		300	Develon B	\$17 1/2	17 1/2	17 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo I	\$20 1/4	20 1/4	20 1/4	+
28170	Bull Can	\$11 1/4	11 1/4	11 1/4		300	Develon C	\$17 1/2	17 1/2	17 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo J	\$20 1/4	20 1/4	20 1/4	+
4000	Bramite	\$20	20	20		300	Develon D	\$17 1/2	17 1/2	17 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo K	\$20 1/4	20 1/4	20 1/4	+
10444	Brascan A	\$35	34 1/2	34 1/2		300	Develon E	\$17 1/2	17 1/2	17 1/2		1000	Waco B	\$15 1/2	15 1/2	15 1/2		300	Algo L	\$20 1/4	20 1/4	20 1/4	+
76343	Brewster	\$7 1/2	7 1/2	7 1/2		300	D Tadia	\$20	20	20		300	Develon A	\$17 1/2	17 1/2	17 1/2		300	Algo M	\$20 1/4	20 1/4	20 1/4	+
11710	BC Ford	\$9 1/2	9 1/2	9 1/2		61870	Danora	\$19 1/2	19 1/2	19 1/2		300	Develon B	\$17 1/2	17 1/2	17 1/2		300	Algo N	\$20 1/4	20 1/4	20 1/4	+
97125	BC Res	\$11	11 1/2	11 1/2		700	Danora	\$20 1/2	20 1/2	20 1/2		300	Develon C	\$17 1/2	17 1/2	17 1/2		300	Algo O	\$20 1/4	20 1/4	20 1/4	+
8025	BC Phone	\$28	28 1/2	28 1/2		3162	Dt Pont A	\$21	21	21		300	Develon D	\$17 1/2	17 1/2	17 1/2		300	Algo P	\$20 1/4	20 1/4	20 1/4	+
3600	BC B I	\$13 1/2	13 1/2	13 1/2		7888	Dykes A	\$15 1/2	15 1/2	15 1/2		300	Develon E	\$17 1/2	17 1/2	17 1/2		300	Algo Q	\$20 1/4	20 1/4	20 1/4	+
59898	CAE	\$10 1/2	10 1/2	10 1/2		57	Emco B	\$15 1/2	15 1/2	15 1/2		300	Develon F	\$17 1/2	17 1/2	17 1/2		300	Algo R	\$20 1/4	20 1/4	20 1/4	+
3600	CAE B I	\$13 1/2	13 1/2	13 1/2		200	Emco	\$15 1/2	15 1/2	15 1/2		300	Develon G	\$17 1/2	17 1/2	17 1/2		300	Algo S	\$20 1/4	20 1/4	20 1/4	+
1358	CIL	\$30 1/2	30 1/2	30 1/2		950	FCA Int	\$19 1/2	19 1/2	19 1/2		300	Develon H	\$17 1/2	17 1/2	17 1/2		300	Algo T	\$20 1/4	20 1/4	20 1/4	+
4885	Cad Fiv	\$33	32 1/2	32 1/2		700	Fishbridge	\$17 1/2	17 1/2	17 1/2		300	Develon I	\$17 1/2	17 1/2	17 1/2		300	Algo U	\$20 1/4	20 1/4	20 1/4	+
27137	Cam RIL	\$33	32 1/2	32 1/2		5301	Fed Int	\$17 1/4	17 1/4	17 1/4		300	Develon J	\$17 1/2	17 1/2	17 1/2		300	Algo V	\$20 1/4	20 1/4	20 1/4	+
2167	Cam Rndr	\$33	32 1/2	32 1/2		2200	Fed Int	\$17 1/4	17 1/4	17 1/4		300	Develon K	\$17 1/2	17 1/2	17 1/2		300	Algo W	\$20 1/4	20 1/4	20 1/4	+
9167	Cam Rndr	\$33	32 1/2	32 1/2		50	Ford Cnda	\$17 1/2	17 1/2	17 1/2		300	Develon L	\$17 1/2	17 1/2	17 1/2		300	Algo X	\$20 1/4	20 1/4	20 1/4	+
12544	Campeau I	\$30 1/2	30 1/2	30 1/2		100	Ford Cnda	\$17 1/2	17 1/2	17 1/2		300	Develon M	\$17 1/2	17 1/2	17 1/2		300	Algo Y	\$20 1/4	20 1/4	20 1/4	+
511672	CDC I	\$13 1/2	13 1/2	13 1/2		8500	Gen Comp	\$26	26	26		300	Develon N	\$17 1/2	17 1/2	17 1/2		300	Algo Z	\$20 1/4	20 1/4	20 1/4	+
200	Can Mast	\$22	22	22		35000	Genclis A	\$18 1/2	18 1/2	18 1/2		300	Develon O	\$17 1/2	17 1/2	17 1/2		300	Algo AA	\$20 1/4	20 1/4	20 1/4	+
600	CG Packard	\$18 1/2	18 1/2	18 1/2		29100	Goldcorp I	\$8 1/2	8 1/2	8 1/2		300	Develon P	\$17 1/2	17 1/2	17 1/2		300	Algo AB	\$20 1/4	20 1/4	20 1/4	+
200	CG Invest	\$18 1/2	18 1/2	18 1/2		100	Gilbert	\$10 1/2	10 1/2	10 1/2		300	Develon Q	\$17 1/2	17 1/2	17 1/2		300	Algo AC	\$20 1/4	20 1/4	20 1/4	+
200	CG Invest	\$18 1/2	18 1/2	18 1/2		2850	GL Forest	\$45	45	45		300	Develon R	\$17 1/2	17 1/2	17 1/2		300	Algo AD	\$20 1/4	20 1/4	20 1/4	+
200	CG Invest	\$18 1/2	18 1/2	18 1/2		481	Grady	\$18 1/2	18 1/2	18 1/2		300	Develon S	\$17 1/2	17 1/2	17 1/2		300	Algo AE	\$20 1/4	20 1/4	20 1/4	+
200	CG Invest	\$18 1/2	18 1/2	18 1/2		11854	Guat	\$28	28	28		300	Develon T	\$17 1/2	17 1/2	17 1/2		300	Algo AF	\$20 1/4	20 1/4	20 1/4	+
42867	CI Bk Com	\$21 1/2	21 1/2	21 1/2		133	Hayes D	\$13 1/4	13 1/4	13 1/4		300	Develon U	\$17 1/2	17 1/2	17 1/2		300	Algo AG	\$20 1/4	20 1/4	20 1/4	+
2100	CI Bk Int	\$21 1/2	21 1/2	21 1/2		40811	Hayes E	\$25 1/2	25 1/2	25 1/2		300	Develon V	\$17 1/2	17 1/2	17 1/2		300	Algo AH	\$20 1/4	20 1/4	20 1/4	+
42867	CI Occidental	\$20 1/2	20 1/2	20 1/2		106072	H Bay Cos	\$22	22	22		300	Develon W	\$17 1/2	17 1/2	17 1/2		300	Algo AI	\$20 1/4	20 1/4	20 1/4	+
139404	CI Snd	\$20 1/2	20 1/2	20 1/2		26594	Imp Oil A	\$70 1/2	70 1/2	70 1/2		300	Develon X	\$17 1/2	17 1/2	17 1/2		300	Algo AJ	\$20 1/4	20 1/4	20 1/4	+
19500	CI Tm A	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil B	\$25 1/2	25 1/2	25 1/2		300	Develon Y	\$17 1/2	17 1/2	17 1/2		300	Algo AK	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI A	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil C	\$25 1/2	25 1/2	25 1/2		300	Develon Z	\$17 1/2	17 1/2	17 1/2		300	Algo AL	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI B	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil D	\$25 1/2	25 1/2	25 1/2		300	Develon AA	\$17 1/2	17 1/2	17 1/2		300	Algo AM	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI C	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil E	\$25 1/2	25 1/2	25 1/2		300	Develon AB	\$17 1/2	17 1/2	17 1/2		300	Algo AN	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI D	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil F	\$25 1/2	25 1/2	25 1/2		300	Develon AC	\$17 1/2	17 1/2	17 1/2		300	Algo AO	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI E	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil G	\$25 1/2	25 1/2	25 1/2		300	Develon AD	\$17 1/2	17 1/2	17 1/2		300	Algo AP	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI F	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil H	\$25 1/2	25 1/2	25 1/2		300	Develon AE	\$17 1/2	17 1/2	17 1/2		300	Algo AQ	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI G	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil I	\$25 1/2	25 1/2	25 1/2		300	Develon AF	\$17 1/2	17 1/2	17 1/2		300	Algo AR	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI H	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil J	\$25 1/2	25 1/2	25 1/2		300	Develon AG	\$17 1/2	17 1/2	17 1/2		300	Algo AS	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI I	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil K	\$25 1/2	25 1/2	25 1/2		300	Develon AH	\$17 1/2	17 1/2	17 1/2		300	Algo AT	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI J	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil L	\$25 1/2	25 1/2	25 1/2		300	Develon AI	\$17 1/2	17 1/2	17 1/2		300	Algo AU	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI K	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil M	\$25 1/2	25 1/2	25 1/2		300	Develon AJ	\$17 1/2	17 1/2	17 1/2		300	Algo AV	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI L	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil N	\$25 1/2	25 1/2	25 1/2		300	Develon AK	\$17 1/2	17 1/2	17 1/2		300	Algo AW	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI M	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil O	\$25 1/2	25 1/2	25 1/2		300	Develon AL	\$17 1/2	17 1/2	17 1/2		300	Algo AX	\$20 1/4	20 1/4	20 1/4	+
13400	CIUI N	\$20 1/2	20 1/2	20 1/2		36324	Imp Oil P	\$25															

## Indices

NEW YORK-DOW JONES										
	June 24	June 23	June 22	June 18	June 17	June 17	1986/87		Since Completion	
							High	Low	High	Low
Industrials	2,428.41	2,439.73	2,445.51	2,426.25	2,486.13	2,407.35	2,446.51	1,927.31	2,448.51	41.22
							(2/1)	(2/18/86)		(7/7/82)
Transport	1,027.20	1,029.27	1,027.20	1,028.94	1,038.81	1,022.88	1,029.53	818.26	1,029.53	12.32
							(2/4/87)	(2/1)		(8/7/82)
Utilities	217.51	208.14	206.76	205.55	204.11	203.07	227.83	191.20	227.83	18.5
							(2/1/87)	(2/18/86)		(8/4/82)
Trading vol	—	185.27a	178.21a	222.77a	188.78a	184.72a				
				June 19	June 12	May 28	Year Ago (Approx)			
Ind Div Yield %							2.81	2.83	2.83	3.85
STANDARDS AND POORS										
	June 24	June 23	June 22	June 19	June 18	June 17	1987		Since Completion	
							High	Low	High	Low
Industrials	358.78	357.84	358.14	358.86	364.22	353.22	353.22	274.58	353.22	3.82
							(17/8/87)	(1/11/87)		(2/18/82)
Composites	358.85	358.43	358.55	358.97	365.80	354.81	358.85	248.65	358.85	4.40
							(23/8/87)	(2/1/87)		(1/8/82)
				June 3	May 27	May 25	Year Ago (Approx)			
Ind div yield %							2.51	2.65	2.54	3.08
Ind. P/E Ratio							22.43	21.67	21.21	17.23
Lvg Rtg Bond Yield							8.93	8.95	9.37	8.87
N.Y.S.E. ALL COMMON										
RISKS AND FALLS										
	June 24	June 23	June 22	June 19	1987		June 23	June 22	June 19	
					High	Low				
Issues traded	172.48	173.22	173.77	172.57	173.77	141.81	1,882	1,885	1,881	
Issues							658	980	889	
Issues							828	980	889	
SINGAPORE Straits Times (30/12/86) — 1,252.40 1,249.24 1,244.21 1,237.34 1,252.40 (24/6) 889.08 (2/1)										
SOUTH AFRICA JSE Gold (28/9/78) — (a) 1,389.0 1,364.0 1,352.0 2,308.0 (2/94) 1,786.0 (1/93)										
JSE Index (28/9/78) — (a) 1,260.0 1,094.0 1,050.0 1,957.8 (1/93) 1,242.0 (2/1)										

**OVER-THE-COUNTER** *Nasdaq national market, closing prices*

Stack

Sales (Basis)

High

Low

Last

Cling

Continued from Page 41

Opay 140

18

685

33

32

32

1

Ogley 84

88

63

26

26

26

26

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

21

21

21

21

Ogley 100

8

744

<

TORONTO	June 24	June 23	June 22	June 19	
---------	---------	---------	---------	---------	--

[illegible]

\* Indicates pre-close figure

YTD % Change From 1990 Prices									
	Stocks	3-Mo. m.	Change	Stocks	3-Mo. m.	Change	*Security Data: Jpn. Japan market close.		
	Price	Day	%	Price	Day	%			
ATT	3,665,500	nd	23%	+ %	Day Price	1,525,100	39%	+ 1/2	
Hess Tr.	4,448,500		19%	+ %	Tr. to Exp.	1,518,000	72%	- 1/2	
St. Pet.	2,816,800		32%	+ %	Colombo	1,387,100	28%	+ %	
Daynes Ind.	1,336,500		19%	+ %	Golden Ind.	1,300,000	37%	+ 1	
			10%	+ 1/2	Barrett Ind.	1,377,200	24%	+ %	

Base values of all indices are 100 except Brussels-Euro-1,000 Swiss Gold-255.7 Swiss Industrials-264.3 and Australia All Ordinary and Metals-100. All Commodities Standard and Precious-100; and Toronto Commodities-1000. Toronto indices dated 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials and 40 Utilities. 40 Financials and 20 Pharmaceuticals. (C) Closed. (U) Unavailable.

**Abstracts 473    Declines 762**

[illegible]

\_\_\_\_\_

<b>LONDON</b>		Chief price changes (in pence unless otherwise indicated)			
ERF .....	141	+25	Miller (Staly) .....	151	+21
Finlay (J.) .....	115	+11	Pilkington Bros. ..	940	+15

Exch 9½pc 1998 £103<sup>11</sup>/<sub>32</sub> + <sup>22</sup>/<sub>32</sub>  
Treas 9½pc 1999 £102<sup>21</sup>/<sub>32</sub> + <sup>27</sup>/<sub>32</sub>

Abb. Life .....	289	+ 13	Chelsea Man .....	295	+ 20	Lucas Inds. ....	688	+ 28	Cole & Wriess .....	385	- 25
All Lyons .....	430	+ 9	Dalgely .....	378	+ 10	MECP .....	525	+ 20	Reed Intl. ....	594	- 18

## Stay in

—ahead of your competitors

11

**"If you're serious about international business, you've got to read the F.T."**

This statement, from a senior Morgan Guaranty

No wonder we're first choice. With nearly 300 editorial staff worldwide and our own team of economists, analysts and statisticians — no one gives you the complete

**"If you're serious about international business, you've got to read the F.T."**

This statement, from a senior Morgan Guaranty executive, tells you better than we ever could why top European decision makers rely upon us for insight, analysis and hard business news.

No wonder we're first choice. With nearly 300 editorial staff worldwide and our own team of economists, analysts and statisticians — no one gives you the complete picture of international business the way we do.

When you take out your first subscription to the F.T., we'll send you 12 issues free.

**12 ISSUES FREE**  **Frankfurt (069) 7598-101**  
And ask Wilf Brüssel for details.

**FINANCIAL TIMES**  
— Europe's Business Newspaper —  
London · Frankfurt · New York

\_\_\_\_\_



## NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 41







## FINANCIAL TIMES

## WORLD STOCK MARKETS

## AMERICA

## Summer rally pauses amid profit-taking

## WALL STREET

PROFIT-TAKING took its toll on Wall Street stocks again yesterday in what some players believe will be only a temporary pause in the market's summer rally, writes Roderick Oram in New York.

Credit markets, undermined by the weakness of the dollar, contributed to the downturn. Bond prices fell as much as half a point.

The Dow Jones industrial average closed down 11.32 points at 2,428.41. Prices had held up fairly well during the morning with the help of IBM and a handful of other blue chips before the markets turned softer during the afternoon.

Broader market indices followed a similar trend with the Standard & Poor's 500 losing 1.58 to 308.95 and the New York Stock Exchange composite index shedding 0.82 to 172.40. NYSE volume was moderate at 154.3m with declining issues outnumbering those rising by a three-to-two margin.

Among blue chips, Exxon slipped 3/4 to \$50.74, Ford Motor edged up 1/4 to \$50.90, General Motors slipped 3/4 to \$49.31, IBM added 1/4 to \$111.75, Eastman Kodak gave up 1/4 to \$87.75 and Du Pont rose 1/4 to \$119.00.

IBM gained a further 1/4 to \$120.00. It reported late Wednesday strong sales of its new range of personal computers. Other computer makers were mixed. Unisys added 1/4 to \$124.00, Digital Equipment fell 1/4 to \$109.00, Hewlett-Packard slipped 1/4 to \$61.00, Cray Research fell 1/4 to \$98.00 and Apple edged up 1/4 to \$42.00 on the American Stock Exchange.

AT&T was unchanged at \$28.00 in heavy ex-dividend trading which made it the most active NYSE issue. A wave of analysts' recommendations has prompted heavy buying recently.

Airlines enjoyed a second day of strength on analysts' comments and rumours of fare increases. Delta gained 1/4 to \$57.00, NWA rose 1/4 to \$72.00, AMR added 1/4 to \$61.00 and Texas Air, the largest airline holding company, rose 1/4 to \$38.00.

Hanson Trust, up 1/4 to \$14.00, was the most active NYSE issue, with more than 3m shares changing hands by early afternoon. It is rumoured to be pursuing a takeover target such as PPG, unchanged at \$50.00. It also ran an advertising campaign yesterday trumpeting its first half results.

Dayton Hudson fell 1/4 to \$50.00 on more than 3m shares after gyrating widely in price on Tuesday in the wake of a bogus takeover bid. The retailer has turned down a genuine offer from Dart Group, unchanged at \$17.00.

Lorimar Telepictures fell 1/4 to \$10.00. The producer and distributor of television programmes and films abandoned its effort to become a broad based communications group and announced a series of restructuring moves which will cause a \$63m fourth quarter loss. It will also

buy back up to 15 per cent of its shares. American Savings and Loan (Florida) gained 1/4 to \$15.00 in the over-the-counter market after it agreed to be acquired at \$17.00 a share by Kinder-Care, up 1/4 to \$17.00. Kinder-Care also said it was planning to split into two companies and was considering a bid for Sylvan Learning which rose 1/4 to \$11.00.

Burlington Industries rose 1/4 to \$78.00. Morgan Stanley said 78 per cent of the textile group's shares had been tendered to it. Mr Asher Edelman, the New York raider, and Dominion Textile abandoned their earlier offer, thus ending a protracted battle.

Rusty Pelican Restaurants rose 1/4 to \$8.00 in the over-the-counter market after its management backed a \$9.00 a share offer from ViCorp, a privately held California restaurant company.

Among companies forecasting higher earnings yesterday, Banc One, a leading regional bank holding company, fell 1/4 to \$27.00 and ConAgra, a flour, feed and poultry group fell 1/4 to \$31.00.

Wall Street bond prices opened half a point lower because of the dollar's sharp overnight fall abroad. One factor was comments by Bank of Japan officials implying that the dollar could not continue to rise because of the large US trade deficit. The benchmark 8.75 per cent Treasury long bond was off 1/4 of a point at 105 1/4 by late afternoon, yielding 8.45 per cent. Shorter maturities fell by similar amounts and the bond equivalent yields on Treasury bills jumped as much as 10 basis points.

The Treasury auctioned yesterday \$7.58bn of four-year notes in the second leg of its three-day mini-refunding at an average yield of 7.89 per cent, the highest since 8.43 per cent in December, 1985.

In the corporate and municipal sectors of the bond market, prices continued under pressure from the weight of new issues in recent days.

## CANADA

TORONTO followed Wall Street's mixed opening with prices remaining steady in light trading.

The firm world bullion price pushed gold shares up, however, with Echo Bay Mines regaining 1/4 to C\$46.00, International Corona Resources making up 1/4 to C\$38.00 and Cambell Red Lake rising 1/4 to C\$33.00.

Dome Mines failed to recover the losses of the previous day, slipping 1/4 to C\$10.00. Lac Minerals also continued its downward trend, losing 1/4 to C\$39.00.

Falconbridge firmed 1/4 to C\$21.00, picking up slightly after an earlier slip in base metal issues.

Energy stocks showed slight shifts in both directions over the day. TransCanada Pipelines slipped 1/4 to C\$17.00 based on a forecast of lower first quarter profits. Shell Canada edged up 1/4 to C\$48.00.

## R. C. Murthy in Bombay on the suspension of trading

## Indian markets hit four-year low

TRADING on India's stock markets was suspended yesterday after share values fell to a four-year low on Tuesday. The sharp decline was sparked by political uncertainty caused by the ruling Congress (I) Party's defeat in the Haryana elections.

The All-India Share Index fell to the low of 212.7 (June 1985=100). The Bombay Stock Exchange, the country's biggest, led the slide and the exchange's index of 30 issues fell 27 points in two sessions to close at 415.51 on Tuesday.

Trading was suspended yesterday and the market authorities have imposed a ban on the short

selling of 75 of the most actively traded shares in a bid to prevent a crash in values. The Bombay index hit a peak of 694 on the eve of last year's Government budget.

The market's present bearishness has overshadowed recent strong support for Government-owned investment institutions over the past two months. In the period, the Unit Trust of India, the country's sole unit trust, had invested some rupees 1bn.

Despite the heavy recent fall, however, merchant bankers say the markets may have weathered the worst of the storm. Mr Hemendra Kothari, chairman of DSP

Financial Consultants, says the market has bottomed out, although he says it remains nervous.

Meanwhile, the heads of India's six major exchanges decided on Tuesday to bolster surveillance mechanisms in the bourses and vigorously enforce regulations designed to discourage speculation.

Mr Rajiv Gandhi, the Prime Minister, is to meet the heads of major banks and financial institutions on July 1 to call for support for new equity and debt issues in order that investment plans for industry are not adversely affected by the bearish stock markets.

## EUROPE

## Weaker dollar prompts sell-off in Frankfurt

RECENT advances in the bigger European bourses were stalled by profit-taking sparked in part by the dollar's slide. Belgian shares proved an exception and rose to a third successive record.

Frankfurt fell heavily as the dollar's sudden drop prompted a wave of selling by foreign investors. The Commerzbank index of 60 leading shares fell 33.3 to 1,861.4.

Blue chips, which had supported the market's recent recovery, fared worst at the hands of the profiteers. Financials tumbled. Deutsche Bank dropped DM 21 to DM 625, Dresdner DM 11.30 to DM 324.90 and insurer Allianz dived DM 55 to DM 1,775.

AEG, depressed by news of a 6 per cent fall in incoming orders for the first five months of the year, lost DM 5.50 to DM 311.50 and Siemens was DM 16 down at DM 731.50.

Among exporters hit by the dollar's fall, car stocks Daimler shed DM 23 to DM 1,097 in a late sell-off and BMW lost DM 10 to DM 656. VW fell just DM 5.00 to DM 494 and continued to find some support following the group's agreement with Toyota to build trucks. News that an auditor's report had cleared the management of responsibility for allegedly fraudulent foreign exchange losses came too late to affect trading.

Chemicals lost most of their gains over the past two sessions, with BASF down DM 13 to DM 302.50 and Hoechst DM 7.50 off at DM 293.50. Bayer fell DM 12.20 to DM 337.50.

Zurich eased as profit-taking which began late on Tuesday gathered momentum on the weaker dollar.

Higher financial rand prompted early selling but gave later support to the market.

Veal Reefs picked up R14 to R405 after the previous day's fall of R22. Industrials traded within a narrow margin, ending the day slightly firmer.

The gold index closed at 2042, up 73 on Tuesday's close of 1968. The

## LONDON

THE FIRM pound and renewed buying of Government bonds led London equities to extend their gains. The strength of the gilt market was indicated by the discount at the end of the day that the Treasury's 8 per cent 2002-06 top stock had been fully bought.

The FT-SE 100 index closed 18.5 higher at 2,284.9 and the FT Ordinary index gained 21.2 to 1,773.4.

Government bonds opened firmly on the stronger pound. By the close, gilts had posted gains of 1 1/4 points on the longer maturities. Details Page 38.

Among easier financials, Union Bank beaters lost Sfr 90 to Sfr 4,690 and Swiss Bank beaters fell Sfr 12 to Sfr 482. Insurers also retreated.

Industrials also softened with the trend, with Ciba-Geigy beaters losing Sfr 60 to Sfr 3,580 and Brown Boveri beaters shedding Sfr 85 to Sfr 2,400.

Bearer shares of chemical Sandoz gave up Sfr 200 to Sfr 12,200. The Swiss government said the company would have to pay compensation for damage resulting from a November 1986 fire at a Sandoz plant which severely polluted the Rhine.

Amsterdam eased with the dollar in a choppy and active session, although bargain hunting restricted losses.

Internationals were mixed. Royal Dutch fell by 10 cents to Fl 244.70 and Akzo by Fl 1.40 to Fl 146.30. Unilever, however, managed a 20 cent rise to Fl 680.

Stockholm was steady in dull and nervous trade. The Veckans Affar all share index edged 0.1 higher to 1,003.1.

Oso fell back under heavy profit-taking.

Millan closed lower across the board in quiet trade.

## ASIA

## High-technologies fail to join record bandwagon

## TOKYO

BUYING of chemicals, drugs, consumption-related issues and oil offset easier high-technology stocks in Tokyo yesterday to help the Nikkei average rise to an all-time high, writes Shigeo Nishiwaki of Jiji Press.

The market barometer of 225 select issues closed 97.84 higher at 24,892.75 on volume of 979.98m shares, down from Tuesday's 1,068.33m. Gains led losses 490 to 434, with 144 issues unchanged.

High-technology electricals took a breather, apparently reflecting their fast rise and the yen's gain against the dollar. Dealers at leading brokerage houses said the price correction was natural after the rising streak of the past several sessions and that the stocks were still investors' favourites.

Stocks in the sector which hit all-time highs on Tuesday sagged, with Hitachi losing Y130 to Y1,200, Matsushita Electric Industrial Y60 to Y2,230 and Fuji Photo Film Y90 to Y2,300. Selling was only in small lots, market sources said.

However, other high-techs were sought. Mitsubishi Electric gained Y10 to Y830, topping the record high of Y810 scored in October last year, on the day's heaviest trading of 54,29m shares. Toshiba advanced Y14 to Y740, Ushio Y80 to Y1,180 and Yaskawa Electric Y30 to Y530.

Investors also bought stocks of companies which are presently performing well, notably chemicals. Kanagafuchi Chemical was ninth on the active list with 16.14m shares traded, rising Y54 to Y988, while Ishihara Sangyo jumped Y42 to Y682 and Mitsubishi Petrochemical Y73 to Y993. Mitsubishi Petrochemical's recurring profit for the year ending in December had been estimated at a record Y16bn but is now expected to be Y13bn higher.

Rising crude oil prices pushed up Teikoku Oil Y42 to Y913.

Pharmaceuticals also gained ground on expectations of sharp increases in profits for the year ending in March next year, though volume was moderate. Daiichi Seiyaku

closed at Y3,360, spurring Y150, Eisai climbed Y140 to Y2,170 and Takeda Chemical added Y40 to Y3,270.

Tokyo Electric Power lost ground under selling pressure after Tuesday's moderate rally, finishing Y100 down at Y8,800. Other power stocks were also dull.

Trading in Nippon Steel dwindled to 24.38m shares, fifth on the active list. The price was Y2 up at Y321. Other large-capital stocks rose slightly, but in low volume.

Bond prices continued to drop. Investors bought in the morning on the yen's rally and the 5.1 per cent government bond due in June 1990, which opened at a yield of 3.330 per cent, up from Tuesday's 3.490 per cent, fell to 3.475 per cent. But trading was left to dealers, and selling later increased. The yield closed at 3.600 per cent in block trading on the Tokyo Stock Exchange and 3.635 per cent in inter-dealer trading.

The yield on the benchmark bond plunged to 2.550 per cent, close to the official discount rate of 2.5 per cent, in mid-May on expectations that the yen's appreciation would lead to a sixth discount rate cut for this fiscal year. But as the rate cut now seems improbable, the yield is heading towards the 4 per cent level.

Overall turnover, however, was down to 2.8m shares - a dramatic slow down from the end of last week.

First Capital picked up 10 cents to S\$2.25 with 2.6m shares exchanged. Elsewhere, DBS rose 40 cents to S\$14.10, UIC was up 25 cents to S\$5.35 and ICS pushed up 20 cents to S\$10.40. Singapore Airlines was steady at S\$13.30.

Hotels, properties and commodities were mixed.

LOCAL political developments, combined with a firm dollar and bullish sentiment, pushed Hong Kong share prices to a record close in busy trading. The Hang Seng index rose to a record 3,178.98, up 68.57 with turnover at HK\$1,377m against HK\$1,17 for the previous day.

Prices rose across the board, with property stocks making the most significant comeback. The sub index jumped 105.31 to 4919.78. Hung Lung Development led the field, up 50 cents to HK\$14.80 with Cheung Kong not far behind with a 40 cent rise to HK\$13.10.

Financial issues, which were least affected by the recent bout of

profit-taking, also rallied with a strong performance.

Fears that Peking might interfere in Hong Kong's local affairs before the territory is returned in 1997 were allayed by an official statement to the contrary, which helped support the market.

The announcement of soaring exports and re-exports during May helped the commercial and industrial sectors where Hutchison Whampoa picked up 50 cents to HK\$13.80 and Jardine Matheson added 40 cents to HK\$18.40.

## SINGAPORE

SHRUGGING off late profit-taking, Singapore share prices continued their recent climb in active trading. The Straits Times index reached another new high of 1,252.42, up 2.44 on Tuesday's previous peak.

The most active stock was Malaysia Tobacco on 3.8m shares traded. It closed 18 cents higher at S\$4.66. Overall turnover, however, was down to 2.8m shares - a dramatic slow down from the end of last week.

First Capital picked up 10 cents to S\$2.25 with 2.6m shares exchanged. Elsewhere, DBS rose 40 cents to S\$14.10, UIC was up 25 cents to S\$5.35 and ICS pushed up 20 cents to S\$10.40. Singapore Airlines was steady at S\$13.30.

Hotels, properties and commodities were mixed.

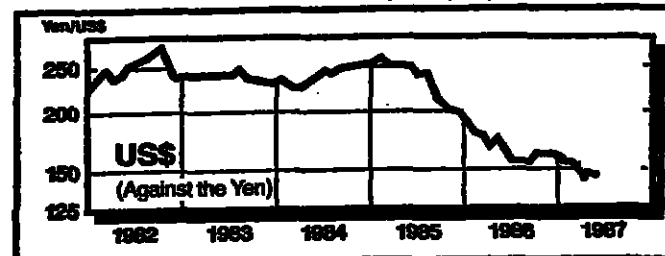
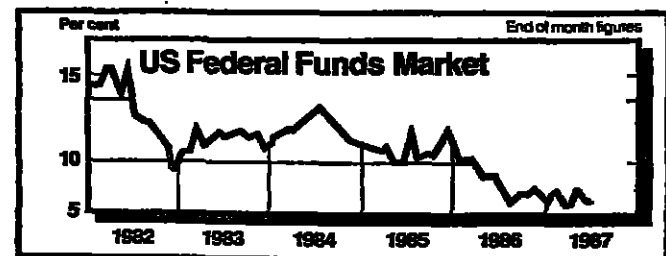
## AUSTRALIA

ACTIVITY and prices in Sydney continued to be tempered by caution over the forthcoming federal elections and the end of the financial year on June 30. Financial features closed mixed as investors waited for indications from the physical markets.

Uncertainty, however, helped gold, metals and minerals. Placer Pacific was up 15 cents to A\$3.05 and Gold Mines of Kalgoorlie added 15 cents to A\$9.66.

Mining shares followed gold upwards.

## KEY MARKET MONITORS



## STOCK MARKET INDICES

	June 23	June 24	Prev. Year
NEW YORK			
DJ Industrials	2,428.41	2,438.73	1,875.55
DJ Transport	1,027.20	1,029.27	781.13
DJ Utilities	207.51	208.14	191.04
S&P Comp.	306.55	308.43	247.03
LONDON FT			
Ord	1,773.4	1,791.6	1,344.8
SE 100	2,290.0	2,295.5	1,824.32
A All-share	1,145.57	1,138.17	804.36
A 500	1,273.31	1,262.48	888.56
Gold mines	373.6	364.1	193.5
A Long gnt	9.05	9.13	9.38
World Act. Ind.	131.64	131.52	91.29
(June 23)			

TOKYO			
Nikkei	24,892.75	24,784.91	17,342.4
Tokyo SE	2,117.20	2,117.29	1,344.30

AUSTRALIA			
All Ord.	1,739.5	1,742.0	1,205.9
Metals & Mins.	1,005.1	999.3	519.2

AUSTRIA			
Credit Aktien	183.54	182.96	242.35

BELGIUM SE			
	4,784.50	4,741.0	3,655.54

CANADA			
Tse 300	2,761.1	2,771.8	2,130.0
Metals & Mins.	3,692.6	3,691.0	3,058.1
Montreal Portfolio	1873.23	1,873.23	(c)

DENMARK SE			
SE	210.88	210.61	217.31

FRANCE			
CAC Gen	405.0	406.5	346.5
Ind. Tendance	99.90	102.2	85.16

## WEST GERMANY

FAZ-Aktien	614.64	633.29	650.02
Commerzbank		1,914.70	1,954.43

HONG KONG			
Hang Seng	3,178.98	3,110.41	1,763.90

ITALY			
Banca Com.	703.03	708.24	674.06

NETHERLANDS			
ANP CBS	301.10	303.20	288.9
Gen	258.80	260.50	283.0

NORWAY			
Oso SE	431.37	434.82	366.01

SINGAPORE			
Straits Times	1,252.42	1,249.20	785.73

SOUTH AFRICA			
JSE	1,980.0	1,276.0	
Industrials	1,880.0	1,172.8	

SPAIN			
Madrid SE	239.14	238.91	178.28

SWEDEN			
J & P	2718.50	-	2,403.57

SWITZERLAND			
Swiss Bank Ind.	613.10	580.5	

## CURRENCIES (London)

	US DOLLAR	STERLING
June 24 Previous	1.8215	1.8215
June 24	1.8228	2.255
June 23	1.8228	2.255
June 22	1.8228	2.255
June 21	1.8228	2.255
June 20	1.8228	2.255
June 19	1.8228	2.255
June 18	1.8228	2.255
June 17	1.8228	2.255
June 16	1.8228	2.255
June 15	1.8228	2.255
June 14	1.8228	2.255
June 13	1.8228	2.255
June 12	1.8228	2.255
June 11	1.8228	2.255
June 10	1.8228	2.255
June 9	1.8228	2.255
June 8	1.8228	2.255
June 7	1.8228	2.255
June 6	1.8228	2.255
June 5	1.8228	2.255
June 4	1.8228	2.255
June 3	1.8228	2.255
June 2	1.8228	2.255
June 1	1.8228	2.255

(3-month offered rate)		
E	9 1/4%	9
SP+	4	4
DM	3 3/4%	3
FF+	8%	8
FT London inter-bank fixing		